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THE PANAMA TOUR.

By Frederick E. Farnsworth.

FOR the past four or five years, owing to the largely increased interest in the annual Convention of the American Bankers' Association, and the desire of many of its members who attend those meetings to make each occasion serve as a vacation, the transportation lines have arranged for tours either before or after the convention.

Under the auspices of the Transportation Committee of the New York State Bankers' Association, the New York Central Lines conceived and arranged for the trip to Panama and return from New Orleans. Without question this tour was one of the most unique and successful which has been taken by any body of tourists. Two hundred bankers, including members of their families, participated in this cruise, leaving New Orleans on Saturday, November 25th, at 12 o'clock noon.

It was the initial trip of three magnificent steamships belonging to the United Fruit Company, the "Carrillo," which was designated the flagship, the "Tivives," and the "Sixaola." The "Sixaola" was followed by a regular boat, the "Herida," on which there were probably twenty bankers who desired to spend a longer period on the Isthmus. The start was made on a perfect southern day, and the trip down the Mississippi river from New Orleans was marked by a whistle salute from all of the New Orleans factories and from the steamers on the river.

The third day out in the Gulf of Mexico, off Cape Antonio, Cuba, a race was indulged in between the

three ships of the fleet. The test lasted for one hour, and the flagship "Carrillo" was an easy winner.

The City of Colon was reached at ten o'clock Thursday, November 30th; and a special train was in waiting for the party, which was taken across the Isthmus to the City of Panama, fifty miles distant, on the Pacific Ocean. The party passed through beautiful tropical scenery, and saw all of the way, evidences of the great work undertaken by the United States Government. Arrived at Ancon, in the Canal Zone, in time for luncheon at the "Tivoli Hotel," which was headquarters for the party during its stay on the Isthmus. Thursday afternoon was given up to driving around Panama City and Ancon. On Thursday evening the Tivoli Club, which is composed of the "society set" of the Isthmus and is comprised chiefly of the officers who are stationed at Panama, held a reception and gave a ball at the Tivoli Hotel. It was a most brilliant affair in every respect and was much enjoyed by all who were present.

On Friday morning, under the personal escort of Colonel George W. Goethals, Chief Engineer in charge of the work and chairman of the Isthmian Canal Commission, a special train was taken for the purpose of seeing the famous "Culebra Cut"; and on the return trip the party visited the Pedro Miguel locks and the Miraflores locks. At four o'clock on that afternoon President Arosemena of the Republic of Panama, gave a delightful reception to the bankers

at the Government palace, which was well-attended by the bankers and their ladies, who all appreciated the courtesy of the president as a distinct honor to the visitors. On that evening a ball and reception were tendered the visitors by the bankers and business men of Panama City, being given at the Union Club and equal in every respect to any function which could be given anywhere in the States. Hospitality was unbounded. The Union club, which is the most prominent club in Panama, is located at the water's edge overlooking the bay. The view from the roof garden was superb. The exterior of the clubhouse was elaborately decorated with many hundreds of electric lights intertwined with "Old Glory" and the flag of the Republic of Panama. The Panamanians were out in large numbers to celebrate the event, and the many beautiful girls and matrons were attractively conspicuous.

On Saturday morning the party left by special train for the Gatun locks and dam. A most excellent luncheon was served in the large dining room of the Government commissary department at this point. Following a few remarks by General Secretary Farnsworth he introduced a resolution thanking Colonel Goethals for the many courtesies shown the bankers and their ladies during the stay on the Isthmus. This resolution was unanimously passed by a standing vote. After luncheon the party was taken by the special train for a thorough inspection of the Gatun dam and the Gatun locks, Colonel Goethals having provided at the locks special cars on the "narrow gauge," so that the entire party had the unique pleasure of passing through the greatest locks in the world. From the Gatun dam the party returned to Colon, where they embarked for New Orleans at five o'clock, Saturday, December 2d.

The visitors were of one opinion only, and that was expressed in most emphatic terms: That the Government is engaged in a wonderful work in completing the Panama Canal; that the work is being done in the most practical, economical and expeditious manner; that its benefits to the United States would be manifold; that Colonel Goethals is the right man for the right place; that he has the respect, confidence and love of the inhabitants of the Canal zone; that his method of handling this vast enterprise impresses one on every hand; that "graft" is not in evidence.

Governor Maurice H. Thatcher, head of the Department of Civil Administration of the Canal Zone, was with the visitors a large part of the time, and his courteous attention was gratefully received. Master of Transportation Stone, of the Panama Railroad, did much to make the visit a success; and H. R. Wilford, agent of the United Fruit Company at Colon and Panama, was ever present to see that all the plans of his company were carried out as scheduled, which was done with most satisfactory results.

Careful inquiry failed to bring out any indication that the Canal Zone is in any degree now an unhealthy territory. It has been undoubtedly truly said that the death rate is less there than in New York City. Every effort has been made to eliminate the causes for disease. The cities and all territory are clean and wholesome, with all the beauties of a tropical climate, and there are good sewerage and

pure water throughout the Zone. The weather during the stay on the Isthmus was ideal, and natives stated that it is seldom at that time of year that there would be three days without rain.

At the present time the Government employs approximately 35,000 men, who seem to be well-satisfied and thrifty. They are required to live in comfortable and healthy quarters.

Probably no party of visitors to Panama, excepting Government officials, have ever been given the opportunity to so thoroughly inspect the great work. This was undoubtedly due to Colonel Goethals, who gave most of his time to the party during the period that they were on the Isthmus, accompanying them on the several trips and explaining the details of the work. Colonel Goethals endeared himself to the entire personnel of the guests by his care and thoughtfulness and dignified courtesy.

The homeward trip was one round of pleasure. On all three steamships games were played, for which beautiful prizes were distributed to the winners. Nightly dancing was indulged in on the decks, music being furnished by the orchestras, which gave also frequent concerts during the tour. On the last night out a captain's dinner was given on each of the three boats. These dinners were elaborate affairs, special menus having been prepared. The dining-rooms were beautifully decorated and souvenirs were furnished to the diners. On each boat one gentleman was chosen for toastmaster, and excellent addresses were made by fluent speakers. A series of resolutions was passed, thanking everybody for the many courtesies extended. A safe arrival was made of all of the boats on the afternoon of Thursday, December 7th, and if it were possible to be more loyal to one's own country, those of the "bankers' fleet" could scarcely find words to express their admiration of the United States in the great undertaking which is now nearing completion, all were more than proud of our great government and country.

While some rough weather was encountered the weather on the whole was all that could be expected. The party on each boat was congenial, and before the close of the trip became well acquainted and friendships were made which will be lasting.

During the greater part of the trip the boats followed each other, the "Carrillo" leading, the three boats were frequently brought into line both day and night. A fleet of three boats of this character has probably never been nor will be again seen for some time to come. Communication was frequently had between the several steamers, by wireless and "zig-zag" among friends.

Merited resolutions of thanks were passed to the United Fruit Company for the many extraordinary courtesies and the ever thoughtful care given to the passengers on this trip.

The boats of this fleet are modern and complete in every respect, and are not excelled by any ocean-going steamship. Through the entire tour the United Fruit Company's line was represented on the "Carrillo," by E. R. Grabow, who was in charge of the entire fleet, assisted by W. N. Hall on the "Tivives," and William Leftwich on the "Sixaola."

The New York Central lines were represented by W. F. Lifsey on the "Carrillo," George W. Higgins on the "Tivives," and C. E. Colony, on the "Sixaola."

To these gentlemen much credit is due for the unwearied devotion to their charge. Every want was anticipated, and they co-operated with the officers of the three steamers to make the journey an unqualified success, which was fully accomplished.

It was the express wish of the bankers who participated that some time in the future a reunion may take place of those who had the good fortune to embark with the "bankers' fleet."

INSERTS FOR MEMBERSHIP SIGNS.

ALL members that have paid dues for the present fiscal year ending September 1, 1912, are requested to see that the insert for their metal frame reads to "SEPTEMBER 1st, 1912." If to the contrary, a letter addressed to the office of the General Secretary will be the means of our members being supplied with inserts.

It is important that the proper insert be displayed in the metal sign, for the criminal class naturally take notice of the date of these inserts.

We trust that all members who have not paid their dues for the period referred to, will kindly remit promptly to the offices of the Association, Eleven Pine Street, New York City, upon receipt of which an insert will be forwarded at once.

CIPHER CODE SUPPLEMENT.

DURING the latter part of August, 1911, a supplement to the Cipher Code of this Association was sent to all members. A slip indicating a change in the key to the test words in our Code was also enclosed.

Should it happen that upon investigation members are without these articles, we would suggest that they at once communicate with the officers of the Association at Eleven Pine Street, New York City, in order that they may be furnished with a copy of each.

The Code of this Association is used very extensively between members, and it is therefore very important that all members have at hand a copy of the supplement and the change in the key to the test words referred to.

THE DELINQUENT MEMBERS.

PROBABLY no organization in the United States has so small a percentage of delinquents as there is in the American Bankers' Association. This is the period of delinquency. When drafts are

unpaid delinquent members are notified and asked to remit. Past experience indicates that delinquency is often caused by dues being overlooked and by mislaid drafts; so that when the season closes, the loss is almost insignificant when compared with the large membership of the Association.

Members who have not responded to the call of the Treasurer are respectfully asked to comply with the request they will receive from this office, to either pay their dues or, if it is their intention to withdraw from the Association, to return the metal sign, cipher code, and other paraphernalia which is sent to those who join this Association.

The benefits which members of the American Bankers' Association receive now are manifold, so that a bank can not afford to withdraw; and every bank in the United States owes its moral and financial aid to an organization of this character, conducted as it is for the banking and business interests of the country.

A. B. A. CIPHER CODE.

IT has been suggested that members of this Association using our Cipher Code have on their letter heads or other stationery of the bank a statement to the effect that the A. B. A. Code or the American Bankers' Association Code is used.

In corresponding from time to time with the various banks of the country they will at once take notice of the fact that our Code is used extensively, and thus be informed without referring to our Proceedings or bankers' directories to see whether or not the bank is a member of this Association. Should a non-member bank observe this fact it might be a means of it applying for membership and thus our members will be assisting in a good cause in the direction of increasing the present membership of this Association. When ordering supplies this could easily be done with practically no cost or trouble in connection therewith.

Co-operation will be appreciated and is therefore respectfully requested.

OFFICIAL BADGES.

ANY of the members of the Association, not present at the New Orleans Convention, who would like one of the official badges as a souvenir, can obtain same by writing to the General Secretary, a few of these badges having been left over. They will be sent out in the order in which the applications are received, until the supply is exhausted.



TRUST COMPANY SECTION



At the New Orleans Convention the following resolution constituting a Trust Company Committee on Legislation was unanimously adopted:

Resolved, That the Executive Committee shall annually, at its first meeting, appoint a committee of five as a Committee on Legislation of the Trust Company Section. The president, the first vice-president, and the chairman of the Executive Committee shall be ex-officio members of such committee; the other two members may, or may not, be members of the Executive Committee. Such committee shall serve until the appointment of their successors.

In accordance therewith the Executive Committee at its meeting the day after the Convention appointed as such Committee:

F. H. Fries, President Wachovia Bank & Trust Company, Winston-Salem, N. C., Chairman; William C. Poillon, Vice-President Bankers Trust Company, New York City; F. H. Goff, President Cleveland Trust Company, Cleveland, Ohio; Ralph W. Cutler, President Hartford Trust Company, Hartford, Conn.; Oliver C. Fuller, President Wisconsin Trust Company, Milwaukee, Wis.

At the same meeting the Executive Committee elected for the following year the State Vice-Presidents of the Section as follows:

VICE-PRESIDENTS.

ALABAMA: C. M. Williamson, Cashier American Trust & Savings Bank, Birmingham.
ARIZONA: N. E. Plumer, President Southern Arizona Bank & Trust Company, Tucson.
ARKANSAS: Sam. W. Reyburn, President Union Trust Company, Little Rock.
CALIFORNIA: M. P. Lillenthal, Cashier Anglo-California Trust Company, San Francisco.
COLORADO: J. Arthur Connell, President Colorado Title & Trust Company, Colorado Springs.
CONNECTICUT: Frank L. Wilcox, President Fidelity Trust Company, Hartford.
DELAWARE: Otto Nowland, President Equitable Guaranty & Trust Company, Wilmington.
DISTRICT OF COLUMBIA: G. M. Fleming, Vice-President Union Trust Co., Washington.
FLORIDA: John Trice, President Citizens' Bank & Trust Company, Tampa.
GEORGIA: John H. Calais, Treasurer Savannah Trust Company, Savannah.
IDAHO: Boyd Hamilton, Cashier Coeur d'Alene Bank & Trust Company, Coeur d'Alene.
ILLINOIS: Latham T. Souther, Secretary Sangamon Loan & Trust Company, Springfield.
INDIANA: M. S. Sonntag, President American Trust & Savings Bank, Evansville.

IOWA: James F. Toy, President Farmers' Loan & Trust Company, Sioux City.

KENTUCKY: J. A. Sullivan, President State Bank & Trust Co., Richmond.

LOUISIANA: Charles E. Novel, Cashier People's Bank & Trust Company, New Orleans.

MARYLAND: C. D. Fenhagen, Secretary and Treasurer Baltimore Trust Company, Baltimore.

MASSACHUSETTS: Herbert A. Rhoades, President Dorchester Trust Co., Boston.

MINNESOTA: W. A. Durst, Secretary Minnesota Loan & Trust Company, Minneapolis.

MISSISSIPPI: P. H. Saunders, President Commercial Bank & Trust Company, Laurel.

MISSOURI: R. L. Rinaman, Vice-President American Trust Company, St. Louis.

MONTANA: George L. Ramsey, Chairman of the Board Union Bank & Trust Company, Helena.

NEBRASKA: W. E. Barkley, Jr., President Lincoln Safe Deposit & Trust Company, Lincoln.

NEW JERSEY: Uzal H. McCarter, President Fidelity Trust Company, Newark.

NEW YORK: Benjamin Strong, Jr., Vice-President Bankers' Trust Company, New York.

NORTH CAROLINA: W. H. Wood, Secretary-Treasurer American Trust Company, Charlotte.

OHIO: W. M. Baldwin, Assistant Treasurer Citizens' Savings & Trust Company, Cleveland.

OKLAHOMA: D. M. Halley, President Jefferson Trust Company, McAlester.

OREGON: H. L. Pitlock, President Portland Trust Company, Portland.

PENNSYLVANIA: Geo. H. Stuart 3d, Ass't Treasurer, Girard Trust Company, Philadelphia.

RHODE ISLAND: Rathbone Gardner, President Union Trust Co., Providence.

TENNESSEE: Vernon I. Witherspoon, Vice-President Union Trust Company, Nashville.

TEXAS: N. S. Graham, President American Bank & Trust Company, San Antonio.

VERMONT: Charles F. Lowe, Asst. Treasurer Montpelier Savings Bank & Trust Company, Montpelier.

VIRGINIA: Herbert W. Jackson, President Virginia Trust Company, Richmond.

WASHINGTON: E. Shorrock, President Northwest Trust & Safe Deposit Company, Seattle.

WEST VIRGINIA: B. Walter Peterson, President Dollar Savings & Trust Company, Wheeling.

WISCONSIN: Robert Camp, President First Savings & Trust Company, Milwaukee.

Selections have not been made as yet in a few of the States, but this will be done shortly. The Execu-

tive Officers of the Section held a meeting in the Association's offices on December 15th to discuss plans for the coming year and to find ways and means to broaden the scope of the Section's activities. Mr. Livingstone, President of the Association, was present at this meeting and assured the Section officers of his interest in the Section and his desire to aid in every possible way.

It is expected to hold another banquet at the time of the meetings of the Council in the spring, the date and place to be more definitely determined in the near future.

In accordance with the unanimous vote at the Convention, the address of Marquis Eaton, on "The Relation of the Trust Company to the Lawyer" has been printed in pamphlet form and sent to each member of the Section. Several companies have ordered a large number of these pamphlets for distribution and other members are advised that if they wish additional copies they can be supplied through the secretary's office at cost price.

"Trust Company Forms."

The selections cover all departments of the trust company, and it is believed offer practical "forms" for carrying out all of the various banking and trust

functions which may fall to the lot of an active company.

The selected forms have been reproduced by photographic process (one-half the original dimensions), bound in full morocco, leather lining, gilt edges, in handsome and durable shape—11x14 inches in size—and are for sale to members of the Association for \$15 each, and to non-members at \$20. Some 550 different forms have been reproduced, making a book of 145 pages, fully indexed. Subscriptions may be sent to P. S. Babcock, Secretary Trust Company Section, 11 Pine Street, New York, who will forward book prepaid at once.

Special Notice.

It is felt that it will be of much value and interest to the members of the Trust Company Section to have collected in the Secretary's office samples of advertising matter used by trust companies throughout the country, such as pamphlets, booklets, newspapers, advertisements, etc. Members are therefore requested to send to the Secretary at 11 Pine Street, such advertising matter as they may be using at this time so that they can be arranged in books or filing cabinets and be open to the inspection of trust company members who may call at the Secretary's office in New York.

DOCUMENTS FOR DISTRIBUTION.

THE Association has on hand a quantity of printed matter. The list comprises the following documents, any of which will be sent to our members on notifying the office:

Bills of Lading.

New Uniform Bills of Lading.

Constitutionality of Proposed Act (H. R. 14934).

Pennsylvania Speech—L. E. Pierson.

Little Rock, Arkansas, Speech—Thomas B. Paton.

Jamestown, Virginia, Speech—Thomas B. Paton.

Oklahoma Speech—Evans Woollen.

Report of Committee to 1908 Convention at Denver, with Appendices.

Report of Committee to 1909 Convention at Chicago, with Appendices.

Report of Committee to 1910 Convention at Los Angeles, with Appendices.

Proceedings, of Joint Conference between bankers, carriers, shippers, etc., held at Chicago, September, 1909.

Currency.

Report of the Currency Commission of the American Bankers Association, 1907.

Report of Currency Commission of American Bankers Association, made at a meeting held at Chicago, Saturday, January 18, 1908.

Statement of Currency Commission of American Bankers Association presented to House Committee on Banking and Currency, at Washington, D. C., Wednesday, April 15, 1908.

Credit Currency. By Elmer H. Youngman, Editor "Bankers Magazine."

Address of Hon. Charles N. Fowler, Chairman Committee on Banking and Currency, on the Financial Situation, before the Illinois Manufacturers' Association, at Chicago, December 10, 1907.

Report of Committee on Banking and Currency on the "Issue and Redemption of National Bank Guaranteed Credit Notes," Fifty-ninth Congress, Second Session, 1906-7.

Suggested Plan for Monetary Legislation, submitted to the National Monetary Commission—By Hon. Nelson W. Aldrich, as revised by the Currency Commission of the American Bankers Association.

Miscellaneous.

Guaranty of National Bank Deposits. By James B. Forgan, President First National Bank, Chicago, Ill., before the annual meeting of Group Two of the Bankers Association of the State of Illinois, held at Peoria, June 11, 1908.

Clearing House Examinations by Clearing House Examiners—Discussion led by J. B. Forgan, of Chicago, at meeting of the Clearing House Section at Los Angeles, October 6, 1910.


General form of Articles of Association to be used in the organization of Clearing House Associations in the smaller cities and towns.

Report of Special Committee, Trust Company Section, September 13, 1904, on the Classification of Legal Decisions relating to Safe Deposit Companies. Rules and Forms.

Address by Jordan J. Rollins before the Trust Company Section, September 14, 1905, on "The Protection of Trust Companies Acting as Transfer Agents and Registrars."



SAVINGS BANK SECTION



ONE of the most readable treatises on savings bank advertising that has yet appeared was the admirable paper on "The Savings Idea and the People," written by E. St. Elmo Lewis for the Savings Bank Section at the New Orleans meeting. In order to call attention to the excellence of this paper, parts of it are herewith given as indicating the general trend of Mr. Lewis's arguments. The complete address may be obtained from the Secretary, and will also be published in the Annual Proceedings. It is well worth careful perusal by every bank which holds itself out as a depository for the savings of the people. Mr. Lewis said:

"I am constrained to think that the reason our people have not appreciated their Savings Banks more, is because they haven't been able to reduce to terms of their own understanding, the real personal or social value of the Savings Bank idea.

"Probably everyone of the gentlemen before me today, will admit that he knows that his bank ought to have more depositors than it has; that his chief concern is to devise means and methods by which he can serve his public better. The truth of the matter is, however, that he hasn't solved the best way to accomplish either one or the other. This is entirely due to two things, which any careful analysis on the part of an open-minded man, will probably demonstrate:

"First: That the Savings Bank man has accepted the principle that he is a servant of the public only as an interesting theory.

"Secondly: That the mass of people has looked upon the Savings Bank idea as a good thing for those who need it, but haven't been able to see that they need it.

"Until the Savings Bank men realize they are here as an economic necessity, representing the principle of the conservation of human effort, and that in order to conserve they have a duty for which they must fight, educate, plead and teach the people, saving will not become a national trait. In other words, the Savings Bank is today a necessary part of the business and social economy of the republic. Properly managed, and realizing to the fullest extent its real possibilities, the savings bank idea can prevent a percentage of pauperism, defer the day of old-age pensions, and reduce the economic waste expressed in almshouses and charitable institutions, and measurably retard the growth of those socialistic tendencies in the thoughts and acts of our people which puzzle and confound the optimist.

"The Savings Bank man will have to change his attitude. The difference is elemental and fundamental. It is the difference between a passive conservation

and an aggressive conservation. The Savings Bank man is generally willing to fight for deposits, to carry on a campaign of education among those who need it most, provided he doesn't hurt his dignity, or sacrifice the approval of that conservative ideal of magement which is embalmed in the winding sheet of sacred tradition. Frankly considered, most of the advertising has been platitudinous when it hasn't been mere waste. He hasn't performed his full duty or realized completely the ideal of service to the community, even when he has taken care of many of the people who have trusted him, for he has not greatly and aggressively enlarged his field of usefulness. Any Savings Bank that does not do good and grow is an impediment to the growth of the savings idea. The attitude has been—"Here we are—if you want us, you know our address."

The policy of "leave well enough alone" must of a necessity give way to the philosophy which says—"Do good today, but do better tomorrow." It is in this philosophy that America has thrived.

The first essential, is the right kind of a personality in the bank, and that personality must realize that he has a duty to the public, to make that public realize in every way possible to the moulder of men's minds the value of the service his institution offers to that public.

Secondly—He must be willing to spend his brains and his money to realize that ideal.

Third—He must be open-minded to the experience of all business in getting business for his bank.

Fourth—He must have expert counsel in the operation, unless he has had some successful personal experience in advertising.

Fifth—He must have discipline in the institution, to make every man, woman and boy in that institution realize the intent and purpose of the advertising, and play up to it. In other words, he doesn't want to have the glad-hand in his advertisement and the glassy eye behind his counter.

Sixth—He must have a policy for the bank which is understood by every man in it, and have it distinctly understood that no one will be permitted to hinder—while all are expected to help—in realizing that policy in practice.

So far, we have dealt in generalities. Let's get down to brass tacks. I might tell you a hundred stories, but I am going to tell you one which illustrates the policy of aggressive conservation.

Hon. Jos. B. Cornish, the head of the Cornish Plano & Organ Company, was elected President of the First National Bank of Washington, New Jersey.

Mr. Cornish probably had as much regard for his individual dignity as any of us, but it had been a

continuous affront to his business sense, to see the advertising of the First National Bank in the local publication. So, when he became President of the bank, and responsible as an executive officer, he one morning called the cashier of the bank into his office and told him that among the bank's extravagances there was one which particularly annoyed him as a business man, and that was its senseless advertising. "I don't know of any business so badly advertised as banking," said Mr. Cornish. "No other business is of more interest to the people, and no business ought to get better results from good advertising. The whole scheme of bank advertising seems to be based on a supposition that it is a favor to the newspaper publishers, without interest to the general public, and as a consequence, absolutely without results to the bank." Now it so happened that the leaven of progress had already come into this old bank. A thoroughly competent and progressive cashier, who had disturbed that thing so many bankers unctiously hug to their breasts as "conservatism," had been elected a few years before and he hailed the prospects of a better publicity campaign with pleasure and entered into it with enthusiasm.

Mr. Cornish, proceeded at once to make an appropriation for advertising, with a definite purpose in mind, i. e., to get the money that he knew was being "saved" in the old ways in the homes of the people in his county.

Mr. Cornish didn't attempt to write the advertisements, because he knew he couldn't which shows how unusual a man Mr. Cornish was, because among all the things that is a common weakness of men, bankers as well as others, is the idea they can do three things, i. e.: Any man can run a newspaper better than it is run. Any man can run a hotel better than it is run; and he can write his own advertising better than anybody else can. As a matter of fact, of course, none of these things are true, but it is one of the peculiarities of human nature, that just because a thing isn't true, doesn't stop some man from acting on the idea that it ought to be true in his case.

Next to being able to write advertising is the ability to pick out a real advertising man to handle the work in the way it should be handled.

Mr. Cornish knew he couldn't write the advertisements; he knew the cashier couldn't write them, and he knew there wasn't a man in the bank who could write them. He said, however that he knew of a paper at Hackettstown, New Jersey, that had been carrying for a number of months, short, snappy editorials on financial subjects written by a man who apparently knew what he was talking about, and what was more to the purpose he had in mind, that man knew how to get at the common man with financial information and make it interesting to him. He wanted the editor of that paper to write the advertisements, because he believed that man could get people to read national bank advertising, and make them want to save money.

"The point of contact" is that quality in an advertisement which makes a man in looking at it, realize that there is something in it that is of interest to him. Did you ever stop to think about that? The next

time you look through the paper, you will notice that every time the word "Savings Bank" appears in even a page of print, your eye catches it, and in glancing over a column, you will see the words "Savings," "Investments," "Per Centage," etc., pop out and fade away again, until you will have to look carefully through the column to see them again. Why? Because your eye catches these familiar words in a page of cold type ten times as quickly as you can any other word. Did you ever realize that but few beside yourself were interested in a savings bank, but that many were interested in what the bank was doing, and that most people would be interested most of all in how that work of the bank affected them and others? Then why do you run the word "Savings Bank" in great big type and the story in little type? **Because you are writing the advertisement to yourself.** That's the "point of contact" of your advertisement. But you are not the public.

The two great big points of contact in advertising savings are:

First—The man who has money and wants to keep it safely and at work at the same time.

Secondly—The man who ought to save money but has not realized it.

The salesman who goes out to sell a product and fails, may blame it on the customer, but as a business man running a business employing salesmen, you don't continue to employ that kind of a salesman. You know that the reason he failed to get the order was because he couldn't sell the man. The reason you don't get the money in your locality—as much as you ought to get—is because you don't sell your man.

Mr. Cornish recognized this.

For years they had seen the stereotyped advertisement—

FIRST NATIONAL BANK.

Capital and Surplus \$100,000.00.

3% Interest Paid on Savings Accounts.

We Solicit Your Account.

I am going to read you a few of the advertisements, then I am going to tell you the result. These advertisements are taken from the regular line of copy that has produced such remarkable results in this comparatively small territory. Every advertisement, you will notice, tells a story—mainly about people—and did you ever realize that people are always more interesting than things to other people? Mr. Hill recognizes it, and his personality is worth several millions of dollars to his railroad interests. Carnegie realized it; and latterly, Geo. W. Perkins in his speeches and his writings trying to create a more tolerant public attitude towards big business, is realizing that personality is necessary; that secrecy sanctifies nothing; that the trouble with big business is not that it has been so criminal, as it has been so secret. People dislike secrecy. The man who is not willing to live in the open generally has a reason for living in the dark, and has generally a dark reason. This is human nature, and you have to take human nature as you find it.



CLEARING HOUSE SECTION



1912.

THE New Year promises to be a notable one in the history of the Clearing House Section. The program as mapped out in New Orleans contemplates educational work upon the following subjects:

The Numerical System of Transit Numbers.

Clearing House Examiners.

Uniform Clearing House Reports.

The Numerical System will continue to be in the limelight until the majority of banks co-operate and place the proper numbers upon the face of all checks and drafts and incorporate them in endorsement stamps. When this is accomplished the System will have gathered sufficient impetus to make further work upon the part of the Association unnecessary. In order to expedite the placing of numbers upon new checks, special matter has been sent to about seven hundred of the principal check book workers of the country explaining the system and urging them to show the numbers upon all proofs.

The importance of the office of Clearing House examiner is becoming daily more apparent. In its inception the plan was confined to the large cities and was intended to make possible a more thorough and intimate examination having in mind the fact that Clearing House banks, being pledged to mutual support, must have reliable and exhaustive information. It is a modern exemplification of the old proverb "an ounce of prevention is worth a pound of cure." It has been found, and almost accidentally, that the Clearing House examiner is an ideal credit registration bureau and at once the idea takes on a new aspect. The plan need no longer be confined to the large cities. Two or more towns conveniently near one another may combine to secure the services of a first class man. State groups which contain a membership of, let us say, fifty country banks, can well afford a small assessment which would employ a qualified examiner and furnish at the same time an ideal bureau of credit information.

Then there is the question of uniform Clearing House reports. These figures in order to have any statistical value must be authentic. Clearing House exchange totals are subject to so many variations caused by consolidations, non-clearing banks, establishment of county clearing houses and other features that the question arises would it not be better to go right to the root of the matter and have all clearing houses report weekly the amount of checks paid by individual ledger accounts covering weekly periods? Such a plan would make possible an exact estimation of the amount of business transacted and would elim-

inate the inflation caused by the use of bank drafts in paying clearing house balances. Clearing house statistics today have a value when used for comparison between different times and seasons but as a basis of comparison between reserve cities or collection centers they mean little.

Less than twenty years ago a Clearing House was merely a mechanism for the exchange of checks. It was an organization for economy and profit only. But today the Clearing House is an association dedicated to progress. In a larger sense all associations of banks, whether of the city, the group, the State or the nation, are Clearing Houses and the spirit of all is Co-operation. The calibre of the banker and the position of the bank may be estimated by the part taken in the work of reform and advancement of sound banking doctrine.

Therefore let us all co-operate and make 1912 a banner year in Clearing House progress.

NUMERICAL SYSTEM TESTIMONIALS.

WE have received many unsolicited letters from all over the country commending the system. The following extracts are taken from a few of these letters and we have given the State to show how widespread is the opinion of these banks that the plan is a good one.

"There is no question but that the use of the numbers, if universal, will effect a wonderful saving of time in our transit department."—Texas.

"We think this numbering of all banks is an excellent idea and will greatly facilitate the handling of items."—New York City.

"We consider it to be one of the greatest improvements over old methods that has ever been inaugurated."—Oregon.

"We think this is a progressive and needful idea, and will be a great assistance in the transaction of banking business."—Kansas.

"Any banker who has done duty in a Transit Department will appreciate the immense value of the numbering of our banks."—California.

"We will endeavor to place this number on all our stationery, and help boost the good cause along."—North Dakota.

"Always glad to do all we can to help in the general adoption of a scheme as good as this one."—California.

"We believe it a clever move."—Oregon.

"The idea is a good one."—North Carolina.

"We believe the new System will aid materially in the handling of the numerous items each day."—Iowa.

"We have no doubt of the ultimate success of this arrangement."—Michigan.

"We trust that all the banks will co-operate in making this System a success."—Vermont.

"We are thoroughly in accord with the desirability of the Numerical System."—Nevada.

"We approve of this System highly, and think it a most convenient arrangement."—Idaho.

"We think this system the only one that could be perfected for Universal use."—Missouri.

"We consider the plan a splendid one and will be glad to participate in it fully as to our own institution."—Indiana.

"In regard to the Universal Numerical System, we appreciate all you have done and all you say on the subject. We assure you that we are quite ready and willing to co-operate with the other Banks, members of your Association, to make this System as helpful as possible."—Virginia.

DO NOT SELL BANK DRAFTS TO STRANGERS.

The Protective Department of the Association has called our attention to the fact that few banks show sufficient caution in the matter of issuing their drafts to persons unknown to them. Pass books usually have a card of instructions printed in them and this advice is given prominence: "Do not give your checks to strangers." Yet the same country bank which so warns its depositors will sell its draft on a city correspondent to a comparative stranger for a paltry profit of ten or fifteen cents exchange. The possibilities of fraud are manifold and the criminal methods employed for obvious reasons cannot be set forth here. There should be a clearing house rule in force forbidding the practice of selling drafts to any but depositors or persons well known to the officers.

MORTUARY RECORD OF MEMBERS REPORTED DURING DECEMBER.

Boyd, Peter.—President Tradesmen's Trust Co., Philadelphia, Pa.
 Boyts, B. F.—Vice-President Yough National Bank, Connellsville, Pa.
 Burrage, Francis H.—Assistant Secretary Lincoln Trust Co., Boston, Mass.
 Church, A. B.—Director Home National Bank, Elgin, Ill.
 Clarkson, James B.—Vice-President Security Trust & Safe Deposit Co., Wilmington, Del.
 Cochran, J. Henry.—President Northern Central Trust Co., Williamsport, Pa.
 Corson, John J.—Vice-President Montgomery Trust Co., Norristown, Pa.
 Davis, Col. T. B.—President Peoples Bank of Keyser, Keyser, W. Va.
 Davis, D. O.—Director First National Bank, Richmond, Va.
 Dodge, Leonard.—Trustee Western Savings Bank, Buffalo, N. Y.
 Faho, John.—President Western National Bank, York, Pa.
 Farrington, W. M.—Union & Planters Bank & Trust Co., Memphis, Tenn.
 Flinn, Elish H.—Director Wayne County Savings Bank, Detroit, Mich.
 Funk, Duncan M.—President First National Bank, Bloomington, Ill.
 Francis, Charles S.—Director Troy Trust Co., Troy, N. Y.
 Franklin, Walter Simonds.—Director Provident Savings Bank, Baltimore, Md.
 Gilbert, Frederick.—Director Utica Trust & Deposit Co., Utica, N. Y.
 Glenn, James M.—Director Fifth—Third National Bank, Cincinnati, Ohio.
 Hathaway, Henry B.—Director National Bank of Commerce, Rochester, N. Y.
 Hellpenstell, Carl.—Vice-President and Cashier Peoples National Bank, Rock Island, Ill.
 Jamison, Geo. A.—Cashier Farmers & Traders Bank, Lafayette, Ind.
 Judson, W. B.—Director Metropolitan Bank, Seattle, Wash.
 Lindsay, Chas. T.—Cashier Citizens National Bank, South Bend, Ind.
 Mead, Frederick Augustus.—President First National Bank, Albany, N. Y.
 Moore, Walter James.—Vice-President Empire State Surety Co., New York, N. Y.
 Murray, Col. L. H.—President Merchants National Bank, Springfield, Mo.
 Murrell, Geo. A.—President Wood & Huston Bank, Marshall, Mo.
 Oldfield, Joseph J.—Treasurer American Trust Co., Boston, Mass.
 O'Sullivan, S. G.—Vice-President United States Fidelity & Guaranty Co., Baltimore, Md.
 Parmelee, Arthur W.—Director Worcester Trust Co., Worcester, Mass.
 Petty, R. B.—Director Commercial National Bank, Pittsburgh, Pa.
 Quirk, Daniel L.—President First National Bank, Ypsilanti, Mich.
 Rice, Nehemiah W.—Director First National Bank, Boston, Mass.
 Ryall, Benjamin.—Director First National Bank, Port Jervis, N. Y.
 Schwerdtfeger, Judge Louis C.—President German-American National Bank, Lincoln, Ill.
 Scullin, Thos. F.—Third Vice-President Cosmopolitan Bank & Trust Co., New Orleans, La.
 Spaulding, W. A.—Director National Tradesmen's Bank, New Haven, Conn.
 Speelman, Wallace E.—Formerly Cashier First National Bank, St. Joseph, Mo.
 Stover, Wm. Wallace.—Secretary and Treasurer Mechanics Loan & Savings Institution, Hagerstown, Md.
 Stower, James N.—Director City National Bank, Plattsburg, N. Y.
 Taylor, David M.—President Farmers National Bank, Oxford, Pa.
 Tenney, W. B.—Treasurer Fitchburg Safe Deposit & Trust Co., Fitchburg, Mass.
 Thompson, John A.—Director Second National Bank, Morgantown, W. Va.
 Voris, A. C.—President Citizens National Bank, Bedford, Ind.
 Ward, C. W.—Director Rutland County National Bank, Rutland, Vt.
 Wedding, Thomas.—Asst. Cashier State Bank, Jerseyville, Ill.
 White, Chas. H.—Of Chas. H. White & Co., Bankers, New York, N. Y.
 Williamson, Robert G.—Cashier Kalamazoo City Savings Bank, Kalamazoo, Mich.
 Windsor, Walter P.—President First National Bank, New Bedford, Mass.

STATE SECRETARIES SECTION

CONVENTIONS TO BE HELD IN 1912.

Feb. 22 VermontMontpellier
 May 7-9 TexasSan Antonio
 May 10-11 Oklahoma.....Tulsa
 May 17-18 AlabamaMobile
 July (latter part) WisconsinMilwaukee

PROTECTIVE WORK OF STATE BANKERS ASSOCIATIONS.

North Dakota Bankers Association,
 Office of the Secretary.

Fargo, N. D., Dec. 26, 1911.

BULLETIN NO. 127.

The following have been reported as lost or stolen and members are requested to send any information in connection therewith to the Secretary's office by telephone or telegraph.

Certificate of deposit No. 110, issued by the Beach State Bank in favor of Hubert Plescher, \$25.00; certificate of deposit No. 1296, issued by the Farmers & Merchants State Bank of New Salem, in favor of Emil John, \$300.00; demand certificate No. 717, issued by the Williston State Bank, in favor of Mrs. Albert Lee, \$50.00; time certificate No. 479, issued by Farmers State Bank of Petersburg, in favor of Ole Kinneberg, \$600.00; time certificate No. 1527, issued by the First National Bank of Hampden, in favor of Hugh Leacock, \$100.00, and time certificate No. 1528, issued by same bank in favor of Harry Leacock, \$200.00. Draft No. 359, issued by the First State Bank of Jud on the Northern Trust Company, in favor of John Southall, \$235.75. Cashier's check No. 119, issued by the State Bank of Guthrie, in favor of Northwestern Jobbers' Credit Bureau, \$5.37. Check No. 252, drawn on Citizens State Bank of Pingree, N. D., by E. P. Krogh, in favor of Lewis-Vidger Co., \$200.00.

A young man named Harry Becker is reported drawing fraudulent checks on the Pingree State Bank and Citizens State Bank of Pingree. He is described as about 23 or 24 years of age, black hair, prominent black eyebrows, slightly stoop shoulders, dark brown eyes, fair complexion, and weighs about 160 lbs. When last seen was wearing a new black overcoat and black cap. His nationality is German or Russian. He is about 5 ft. 11 in. tall. Please notify this office if he should appear in your locality.

South Dakota Bankers' Association,
 Office of the Secretary.

December 28, 1911.

On November 21st, a party giving his name as William Steinfeldt secured \$200 from an elevator at Ethan, S. D., as an advance payment on 1200 bushels of wheat. This same man forged the name of M. M. Bowers on a check drawn on the Farmers' Bank of Alexandria and presented it for payment at the Ethan State Bank twice on the same day and in this case gave his name as Hoffman. The Ethan State Bank did not pay the check owing to lack of identification.

The description of the party is about as follows: Height 6 ft. 9 in., weight 175, light blue eyes, light hair, extremely red complexion, broad across cheek bones, smooth shaven and about 25 years old.

Michigan Bankers Association,
 Office of the Secretary.

Detroit, Mich., Dec. 22, 1911.

BULLETIN NO. 91.

The party A. G. Stevens referred to in our Bulletin 90, we are pleased to announce was caught in Detroit, December 17th, having been traced here by the sheriff of St. Joseph County.

We ask our members to further co-operate with us in this branch of our work and notify us promptly of the operations of these swindlers, and warn your customers against endorsing and cashing checks for strangers, when they know so little about these parties whose sole purpose is to defraud the public.

Washington Bankers Association,
 Office of the Secretary:

Tacoma, Wash., Dec. 8, 1911.

WARNING NO. 224.

Hold up of Bank of Commerce, Everett.—At 2:40 p. m., December 13th, a man, name unknown, held up the teller of the Bank of Commerce Everett, at the point of a revolver and compelled him to pass over the gold in sight amounting to about \$1500. The robber then, revolver in hand, backed to the door, rushed out and disappeared. An immediate alarm was given, but he made his escape. The robber's description is as follows: Young man, about 25 years old; height about 5 ft. 10 in.; weight 150 to 160 lbs.; complexion light; wore soft hat and gray-green suit; had on a soft shirt. If located wire or telephone the secretary or the bank officials at Everett.

Washington Bankers Association,
 Office of the Secretary:

Tacoma, Wash., Dec. 8, 1911.

WARNING NO. 225.

Our members are advised against cashing checks of H. E. Robinson, formerly of St. Maries, Idaho, where he operated a moving picture show. He left that place with many debts and no credit, but with a check book of the Lumberman's State Bank, which he is using freely. He was lately in Western Canada, but is thought to be travelling toward Seattle and Portland. Description: Young; tall; black eyes; smooth shaven; slightly stooped; has wife and two small children. Warrant in the hands of Jerry McCarter of St. Maries, Idaho.

Washington Bankers Association,
 Office of the Secretary:

Tacoma, Wash., Dec. 8, 1911.

WARNING NO. 226.

Warrant has been issued for the arrest of C. I. Rawls, for defrauding one of our members. He attempted to issue checks drawn on the Sumas State Bank of Sumas, Washington. Description: Age 22 to 24 years, black hair; dark eyes; smooth shaven; weight about 160 lbs.; full face and good talker; has rather large teeth with much gold in front uppers, which shows plainly when talking or laughing; dressed in dark clothes; brown mixed overcoat; black stiff hat; black button shoes. If located, advise Secretary by wire.

Washington Bankers Association,
Office of the Secretary:

Tacoma, Wash., Dec. 8, 1911.

WARNING NO. 227.

Lost Certificate of Deposit.—Certificate of Deposit No. 16,212, for \$300, issued by the First National Bank of Waltsburg, Wash., in favor of R. M. Johnston, has been lost or stolen; if presented notify the Secretary or the bank.

Washington Bankers Association,
Office of the Secretary:

Tacoma, Wash., Dec. 8, 1911.

WARNING NO. 228.

A man by the name of Chas. Potter, formerly of Elma, Wash., now claiming his address as Centralia, November 25 drew a check on the Union Loan & Trust Company, Centralia, in favor of the Farmers & Lumberman's Bank, Elma, for \$50, which was cashed, but returned protested for want of funds. The same day he drew a check on the same bank in favor of the cashier of the Bank of Elma and also secured \$75 additional by the same means on two local merchants. He had always borne a good reputation and left Elma without debt. He represented he had sold property in Centralia and had plenty of money on deposit. Description: Trifle under medium height; of slender build; thin face and features; brown hair; rather thin, not curly; brown eyes and straggly moustache; left hand cut off just to wrist and stump covered with black stocking; wore brown overcoat and black derby hat.

Washington Bankers Association,
Office of the Secretary:

Tacoma, Wash., Dec. 8, 1911.

WARNING NO. 229.

Also look out for party who is issuing drafts signed "B. P. Kriener & Co." by "M. A. Kriener, Treas.," on Cleveland Trust Company, Cleveland, Ohio. Drafts are in regular printed form, are numbered, and words "Sales Department" printed across end. Name of payee in draft passed in Great Falls last week, "Harry Brant," amount \$18.80. Cleveland bank wires that drawer has no account with them and cannot be found at address given. Party who passed draft at Great Falls is described as follows: Age about 30; height, 5 feet 6 inches; weight, 150 lbs.; dark complexion; brown eyes; smooth face; wore dark brown suit and derby hat.

Washington Bankers Association,
Office of the Secretary:

Tacoma, Wash., Dec. 8, 1911.

WARNING NO. 230.

Fraudulent checks on Billings State Bank, Billings, Mont., are being passed in Washington and Oregon signed "Fidelity Life Ins. Co.," or "New York Life Ins. Co.," using rubber stamp, signed J. L. Clarke, Agent, and also checks drawn on First National Bank of St. Paul, signed New York Life Ins. Co., by J. E. Lory—all payable to order of C. E. Cole. Description of Cole is as follows: Age, 25 to 28; weight, 160 lbs.; height, nearly 6 feet; dark, sallow complexion; smooth face; blue eyes; well dressed.

Do not cash checks for strangers without proper endorsement. Be on your guard.

Montana Bankers' Association,
Office of the Secretary:

Great Falls, Mont., Dec. 5, 1911.

BULLETIN NO. 124.

We have just received advice that party giving name of Lewis Grant Winters passed a fraudulent draft at a bank in northern Montana, purporting to have been issued by the Navajoe Apache Bank & Trust Company, Holbrook, Arizona, on Hanover National Bank, New York, for \$475, receiving cash for the amount. This party is a smooth swindler, claims to be a Yale graduate, occupation, newspaper business. Remains in locality several days before attempting to cash draft, giving the impression that he intends to locate permanently. Careful note should be made of description of party, viz: Height, 5 ft. 7

in.; age about 42; slight build, gray hair, partly bald, gray stubby moustache, deep scar on right side of jaw; is well dressed, light overcoat, light brown suit, either light gray cap or black crush hat.

Also look out for party who is issuing drafts signed "B. P. Kriener & Co." by "M. A. Kreiner, Treas.," on Cleveland Trust Company, Cleveland, Ohio. Drafts are in regular printed form, are numbered, and words "Sales Department" printed across end. Name of payee in draft passed in Great Falls last week, "Harry Brant," amount \$18.80. Cleveland bank wires that drawer has no account with them and cannot be found at address given. Party who passed draft at Great Falls is described as follows: Age about 30; height 5 ft. 6 in.; weight 150; dark complexion, brown eyes, smooth face; wore dark brown suit and derby hat.

Lost or stolen: Time certificate of deposit No. 1129, issued by State Bank of Windham, Montana, dated September 22nd, 1911, payable to Mihail Andreoff, amount \$210. If presented, refuse payment and notify bank.

Wire this office if information is received concerning matters above referred to.

Missouri Bankers' Association.

Office of the Secretary:

Sedalia, Mo., Dec. 9, 1911.

\$25.00 REWARD!

A man giving the name of Harve Smith is accused of defrauding a member of this Association at Buffalo, Missouri, by means of a forged check. The bank gives us the following description:

Name, Harve Smith; residence, Springfield, Mo.; nativity, American; occupation, laborer; age, about 21 years; weight, about 140 pounds; height, about 5 ft. 5 in.; complexion, dark; color of hair, brown; color of eyes, dark; style of beard, smooth shaven. Remarks—Wore dark suit of very ordinary clothing; claimed to live in southern part of Dallas county. Writes a poor hand; talks well and convincingly.

For the apprehension and conviction of Smith, on the crime charged above, the Missouri Bankers Association offers a reward of Twenty-Five Dollars (\$25.00). Reward to remain in force for one year from date of this notice and to be paid according to the rules of the Missouri Bankers Association.

Arrest and wire this office and the sheriff of Dallas County, Buffalo, Missouri.

The Ohio Bankers' Association.

Office of the Secretary:

Columbus, Ohio, Dec. 6th, 1911.

\$50.00 REWARD.

For the arrest and conviction of a man assuming the name of C. P. B. Bartlett, and carrying an Elk identification card made out to C. P. B. Bartlett, Pawtucket, R. I., Lodge No. 920, B. P. O. Elks, which he is using for the purpose of cashing checks throughout the State. This card was stolen from the owner, and the man is supposed to be A. B. Bradley, having a membership with the Rochester Lodge of B. P. O. Elks.

Description: 5 ft. 9 or 10 ins. tall; weight about 225 to 240 lbs.; dark hair and dark complexion, wears Elks tooth on watch chain.

If apprehended, notify Ohio Bankers' Association at once.

Above reward good for one year from December 7, 1911.

The Ohio Bankers' Association.

Office of the Secretary:

Columbus, Ohio, Dec. 6th, 1911.

\$50.00 REWARD.

For the arrest and conviction of a man operating in the northern part of the state, who represented himself to be J. W. Howard, and who secured \$55 on a check made payable to himself and signed by Martin Bros., per J. M.; the check was drawn on a bank in the northern part of the State. This party also presented a note drawn on a bank from this same bank, which bore endorsements amounting to \$145, the orig-

inal face value having been \$645, making the note worth \$500. He requested that this note be sent to the bank where it was made for collection. Both note and check were returned protested.

Description: 5 ft. 10 in. in height, between 35 and 40 years old, brown or sandy moustache, wore a dark overcoat at the time, and had the appearance of being a stock dealer.

If apprehended, please wire the Ohio Bankers' Association.

Above reward good for one year from December 7, 1911.

The Ohio Bankers' Association.

Office of the Secretary.

Columbus, Ohio, Dec. 16th, 1911.

\$50.00 REWARD.

Good for one year from date.

For the arrest and conviction of one Norman N. Hicks, or N. N. Hicks, who is using checks of the Pennsylvania State Court, Knights of Modern Chivalry, with headquarters at Philadelphia, the checks made payable to Hicks as special agent, who, when presenting checks for payment states that he is the State organizer for the above society for Ohio.

The above checks are drawn on the Franklin Trust Company of Philadelphia, and are returned by that bank with notation "No account." Investigation proves that the checks were lithographed for the above society several years ago, but a short time afterwards that institution failed and at the present time does not exist.

Description given of Norman N. Hicks is as follows:

Height, about 5 ft. 9 in.; has dark hair and eyes; weighs about 210 to 215 pounds; swarthy complexion; has manner and appearance of railroad engineer; wears Masonic Double Eagle charm and emblem ring; shows Masonic receipts from Syracuse, N. Y.; is a good talker and claims membership in the Brotherhood of Locomotive Firemen and Enginemen.

If apprehended wire or telephone this office.

Ohio Bankers' Association.

Office of the Secretary.

Columbus, Ohio, Dec. 22, 1911.

\$100.00 REWARD.

Good for one year from date.

For the arrest and conviction of a woman representing herself to be Mrs. Dorothy Gardner Amory, who, upon proper identification, opened an account with a Cincinnati bank, depositing a check for \$500 on the Newton Trust Company of West Newton, Mass., drawn in favor of E. M. Lewis and signed by Mary G. Hood. The check proved to be worthless, and had been reported a forgery. Letters from the chief of police of the city of Newton, advises that a previous case had been reported against this party, and they hold a warrant for Esther M. Lewis for forgery and uttering a check for \$210 on June 5th, 1911. They seem very anxious to locate this woman, and give a description of Esther M. Lewis, as follows:

About 46 years old; medium size; fair complexion; gray eyes; dark hair brushed back from forehead and coiled; gold in teeth which are rather prominent; voice low; tone nasal; sounds r's; wore at that time a dark gray suit rather shabby; gold rimmed glasses.

The above description corresponds with that of Dorothy Gardner Amory who defrauded the Cincinnati bank, except that the Amory woman's hair was sprinkled with gray, and she wore dark clothes. The Cincinnati bank further states that she seemed well educated, and that through the chief of police at Newton they learned she had subscribed for the Boston Transcript, Collier's Weekly, and the Saturday Evening Post.

Dorothy Gardner Amory left Cincinnati on Tuesday night, the 12th inst., ostensibly for Los Angeles, Cal. She had succeeded in ingratiating herself into favor with a number of the charitably inclined peo-

ple with whom she negotiated checks on the Bay State Trust Company of Boston, Mass., which have been returned on account of non-payment. According to advice from the chief of police of Newton, she seemed interested in typewriters, having used machines in Boston on lease, for which she never paid. She writes a good hand, and is clever at repairing clocks. She claims to come from Los Angeles.

If apprehended wire this office.

Michigan Bankers' Association.

Office of the Secretary.

Detroit, Mich., December 14, 1911.

WARNING.

BULLETIN NO. 90.

A party claiming to be A. G. Stevens and representing himself as a salesman for the Chicago Hassock Company, has been operating in Michigan, in Oakland and Jackson Counties, among merchants and hotels of the towns.

He answers to the description of dark complexion, about 45 years old, weighing about 145 lbs., dark eyes and moustache. Information from the Chicago Hassock Company is to the effect that this man is a fraud and does not represent them.

Kindly warn your customers against this party and advise this office should he be caught.

Minnesota Bankers Association,

Office of the Secretary.

Minneapolis, Minn., Dec. 19, 1911.

LOOKOUT NOTICE NO. 7.

The following certificates of deposit and Cashier's checks have been lost or stolen and payment stopped thereon:

Cashier's checks No. 6749, dated Nov. 20, 1911, amount \$100.00; issued by the State Bank of Lamberton to E. C. Stienhauser. No. 1213, dated Nov. 24, 1911, amount \$500.00; issued by the Danube State Bank. Certificates of deposit No. 2825, dated Nov. 25, 1911, amount \$1,200.00; issued by the First State Bank, White Bear Lake, to John Wagner. No. 421, dated Nov. 7, 1911, amount \$50.00; issued by the Northwestern State Bank, Cloquet, to Gust Anderson. No. 10092, dated Oct. 21, 1911, amount \$506.10; issued by the Merchants State Bank, Red Lake Falls, to G. T. Kennefick; duplicate was issued under date of Oct. 28, 1911, being No. 10131, for \$506.10. No. 3093, dated Oct. 27, 1911, amount \$160.00; and No. 3108, dated Nov. 4, 1911, amount \$280.00; issued by the Security State Bank of Waterville to Mary Mulcahy.

The following described forgers are now operating in our territory:

Gave name of J. E. Baker; check drawn on the Northfield National Bank, amount \$10.00. Description: Age 35 years, height 5 ft. 9 in.; medium dark complexion; dark moustache; wore a cap, light trousers, brown overcoat.

Gave name of J. E. Clisel; check drawn on the Merchants National Bank, St. Paul, amount \$4.00. Claims to be a travelling man.

Julius Moe, alias Oscar Hoover; forged signature of farmer by name of Salemonsens; check drawn on the Scandinavian American Bank, Grand Forks, N. D., amount \$191.55. Description: Age 23, height 5 ft. 8 in., weight 140 lbs., light complexion, blue eyes, light brown hair, smooth face; wore brown stiff hat, dark overcoat, fur collar, plush lining.

Minnesota Bankers Association,

Office of the Secretary.

Minneapolis, Minn., Dec. 19, 1911.

SUPPLEMENT TO LOOKOUT NOTICE NO. 7.

I am advised under date of Dec. 22d that check No. 243, dated Nov. 28, 1911, issued to Walpert and Davis, Minneapolis, by the Farwell Mercantile Company, and drawn on the Farwell State Bank, has been lost or stolen and payment thereon stopped. The space for the amount to be filled in was left blank, so that if anyone attempts to use the check the amount and figures will appear in a different handwriting.

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

DEVOTED TO THE SCIENCE OF BANKING AND FINANCE

VOL. 4.

JANUARY 1912.

No. 7

FRED. E. FARNSWORTH, PUBLISHER.

General Secretary American Bankers Association

THOMAS B. PATON, EDITOR.

General Counsel American Bankers Association

W. W. WAINE, ASSOCIATE EDITOR.

NEW YEAR GREETINGS.

THE Journal-Bulletin extends to every member of the Association, the Greetings of the New Year.

The old year has passed into the new, but nothing save the calendar has ended. Twelve months cannot be pinned to the walls of the world and marked by numbered squares as a record of things past and ended. The forces which fashioned them into symbols of success or failure are being unceasingly renewed from those influences which men create as they add daily to the sum of human strength or human weakness. So no action can be disassociated from the impulses which precede it and the results which follow it.

To view in retrospect the development of the Association is to realize how steadily the procession of causes and effects has moved from one objective point to another, to this new goal. The motives of the men who brought about its organization became the purposes of those who shaped its later policies. Their faith in the endeavor became the strength of those who followed, and it is significant that those whose present efforts are to make its future, labor in the same spirit.

The past year has been the most important in the history of the Association. The growth in membership has given impetus to the varied activities which have extended to influence to wider fields, through the medium of new methods carried out in a closer spirit of co-operation.

But achievement means new duties and greater opportunity. All the auguries for 1912 promise increased prosperity and business activity. Upon the bankers rests a greater responsibility for the conditions which shall make possible this general well-being, than is fully realized. As their ambition is toward material ends only, or the extension of every means which shall enable others to enjoy a larger measure of happiness, will their profession and the Association which they represent be judged.

The strength of the Association is but the test of the attitude and action of each individual member toward the aim of its existence—"to promote the general welfare and usefulness of banks and banking institutions."

Progression is measured by contrast to that fixed principle which forms the standard of action, and the Association goes forward with the knowledge that past fealty makes possible the continuance of the cause which is to be followed faithfully through the New Year.

THE THIRTY-SEVENTH ANNUAL CONVENTION AT NEW ORLEANS.

AN organization of the strength, breadth, and scope of the American Bankers' Association must of necessity advance; if it stands still and no advancement is shown, it will soon fall backwards.

It seems to be conceded generally that the last convention, held at New Orleans, exceeded in importance all of its predecessors and stands out in many ways to be adjudged the most successful of the series. No single individual is responsible for this result. Preparations were going on for months. The work of the committees, and the formulating of reports; the arrangements made by the various sections for successful section meetings; the plans evolved by the officers of the Association for the general program; and the innumerable smaller details carefully worked out by the executive force, that the large gathering might be perfectly cared for at New Orleans, all entered into aggregate effort towards the single end. Even with these elaborate preparations the convention could not have been the success it was, had it not been for the hearty co-operation of the executive committee at New Orleans, and the various sub-committees which it appointed, composed of New Orleans bankers. The committees of the

New Orleans Clearing House Association worked also harmoniously and effectively to the end that proper provision would be made for the entertainment, comfort and completeness of every phase of the week's convention. It would be impracticable to mention the individual members of the several committees which did such effective work, for that would mean publishing a list with few eliminations.

Special credit and mention should, however, be given to Mr. Charles A. Morgan, Manager, New Orleans Clearing House Association, and secretary to the committees. Mr. Morgan was indefatigable in his effort to please, was familiar with every feature of the work, and was of great assistance to the executive force in the New York offices of the Association.

REGISTRATION AT OFFICES.

THE offices of the Association, being so centrally located in the financial district—corner of Nassau and Pine Streets—make a very convenient place for members and their friends to meet when in New York. One of the large offices has been fitted up as a library and reading room, in which are kept on file the financial papers of the country and other current literature. Every facility has been provided for correspondence, and the Association's stenographers are at the service of the members, who can have their mail and telegrams sent in care of the office. The Association telephone is also at their service when they wish to communicate with the banks or their friends. The members are cordially invited to avail themselves of these privileges, and it is very much hoped they will do so.

The following visitors registered during the month of December:

Alken, Alfred L., President Worcester Co. Institution for Savings, Worcester, Mass.
 Baer, John R., President Germantown Avenue Bank, Philadelphia, Pa.
 Bissell, Wm. G., Treasurer Milford Trust Company, Clinton, Conn.
 Bush, Wm. E. V., Augusta, Ga.
 Brent, Henry K., Assistant Manager U. S. Fidelity & Guaranty Co., New York, N. Y.
 Cox, Raymond B., President American Institute of Banking, New York City.
 Davis, W. V., Vice-President Savannah Trust Company, Savannah, Ga.
 Downing, J. R., Vice-President & Cashier Georgetown National Bank, Georgetown, Ky.
 Durnagi, M. W., "The Financial World," New York City.
 Fries, F. H., President Wachovia Bank & Trust Co., Winston-Salem, N. C.
 Gibson, Frank B., Denver, Colo.
 Goff, F. H., President Cleveland Trust Company, Cleveland, Ohio.
 Gonzales, V., Manager Foreign Department Bankers Publishing Company, New York, N. Y.
 Grabow, Edward A., Spec. Rep. United Fruit Co., Boston, Mass.
 Haines, I. Snowden, Cashier Mechanics National Bank, Burlington, N. J.
 Hall, W. Merrill, Laidlaw & Co., New York City.
 Hoffman, W. F., President Commercial National Bank, Columbus, Ohio.
 Hotchkiss, W. A., Wells & Dickey Co., Minneapolis, Minn.
 Johnson, A. Dorman, Boise City National Bank, Boise, Idaho.
 Johnson, E. L., Vice-President Leavitt & Johnson Trust Co., Waterloo, Iowa.
 Kavanaugh, Roger P., New York State Bank Examiner, New York City.
 Kimmelberg, E. W., New York City.

BURGLARY POLICY.

THE American Bankers' Association Standard Form of Bank Burglary & Robbery Policy, as revised, has been published and General Counsel has procured its copyright in the name of the Association. Licenses to companies desiring to write the policy for members of the Association will be issued by the General Secretary on and after the 10th of January. The companies have been notified to this effect and a number have already applied for the proper license.

The members of the Committee on Fidelity Bonds & Burglary Insurance have given considerable of their time to discussing and passing judgment upon the various provisions of this policy and the form now copyrighted is recommended to members of the Association as the best for their interests.

Knox, Frank, President National Bank of the Republic, Salt Lake, Utah.
 Knox, George G., Salt Lake, Utah.
 Koppel, Wm., Boston, Mass.
 Lifsey, W. V., N. Y. C. R. R., New York City.
 Livingstone, W., President Dime Savings Bank, Detroit, Mich.
 McWane, Robert C., Editor "Financial Review," New York City.
 Poillon, W. C., Vice-President Bankers Trust Company, New York, N. Y.
 Pullen, C. L., Burlington, N. J.
 Reynolds, Arthur, President Des Moines National Bank, Des Moines, Iowa.
 Roach, J. P., American Exchange National Bank, New York City.
 Ross, Edwin T., Fourth National Bank, New York City.
 Ruffin, W. C., Director Wachovia Bank & Trust Co., Winston-Salem, N. C.
 Schumerhorn, Arthur F., Assistant Secretary, American Surety Co., New York City.
 Tetor, Lucius, President Chicago Savings Bank & Trust Co., Chicago, Ill.
 Trainard, A. E., G. T. P. A., N. Y. C. & H. R. R., Grand Central Terminal, New York City.
 Wexler, S., Vice-President Whitney Central National Bank, New Orleans, La.
 Wile, M. E., Assistant Secretary Security Trust Co., Rochester, N. Y.
 Wilson, Hunter L., New York City.

MUTUAL SAVINGS BANKS MAY BECOME OFFICIAL DEPOSITORIES FOR POSTAL SAVINGS FUNDS.

In the September issue of the Journal, an opinion of General Counsel Thomas B. Paton was published, in which he sustained the contention that a mutual savings bank is eligible under the law to act as a depository for postal savings funds, and in accordance therewith, it has been ruled by the Board of Trustees of the Postal Savings System that mutual savings banks may qualify as such depositories up to one-half the amount of the surplus fund. Several mutual institutions have already been so designated and more undoubtedly will qualify.

TEXAS BANKERS ASSOCIATION.

The seven district group meetings will be held in February, starting February 10th at Dallas and closing February 22d at Fort Worth.

LEGAL DEPARTMENT

THOMAS B. PATON · GENERAL COUNSEL

LAW COMMITTEE.

IMEDIATELY after the New Orleans Convention work was begun looking to the further promotion of the Uniform Commercial Acts and the special acts on particular subjects favored by this Association, through the State Legislatures which meet during 1912. Only twelve State Legislatures are scheduled to meet in 1912, namely: '

Arizona (1st State Legislature)	Virginia
Georgia	Kentucky
Louisiana	Maryland
Massachusetts	Mississippi
New Jersey	New York
Rhode Island	South Carolina

Pamphlets containing drafts of proposed laws relating to False Statements for credit, Derogatory statements affecting banks, Checks or drafts without funds, Burglary with explosives, Liability for payment of forged or raised checks, Payment of deposits in two names, Payment of deposits in trust, Competency of Notaries who are stockholders of banks or other corporations, have been prepared by the General Counsel, annotated with 1911 enactments and these, with the Uniform Acts on Negotiable Instruments, Warehouse Receipts and Bills of Lading (omitting laws already enacted) have been forwarded to Chairmen of the Legislative Committees and Secretaries of State Bankers' Associations in the above named States for their use. In Rhode Island where there is no State Bankers' Association the drafts were forwarded to the resident Vice-President and to the Association's Executive Council member in that State. Considerable correspondence has already been conducted with regard to these measures and favorable results are hoped for.

BILLS OF LADING.

THE Uniform Bills of Lading Act has been forwarded to the appropriate Committees of the State Bankers' Associations in all the States where legislatures meet this year, with the exception of Maryland, Massachusetts and New York where the Act is now in force. This Act is now the law in nine states and its general adoption is one of the things most needed by the commercial and financial interests.

The Committee on Bills of Lading of this Association will hold a meeting this month and plan an active campaign for the season's work. In addition to the promotion of State legislation the enactment of the Stevens bill, now pending in Congress, will be vigorously urged.

SAFEGUARDING BILLS OF LADING IN BALTIMORE.

THE following letter has been published in circular form by a committee of the Baltimore Clearing House Association. It explains a plan mutually agreed upon by that Association and assenting members of the Baltimore Chamber of Commerce with a view of safeguarding the handling of "order" bills of lading as collateral. Members of the American Bankers' Association generally, will doubtless be interested in its contents:

Baltimore, Md., December 19th, 1911.

Charles T. Crane, Esq., President.
Baltimore Clearing House Association,
Baltimore.

My dear Sir:

At a special meeting of the Association held on November 11th, 1911, there was approved subject to confirmatory action by the Boards of Directors of the several banks, certain resolution prepared, by a joint Committee representing this Association and the Baltimore Chamber of Commerce, with a view of better safeguarding the handling of "order" bills of lading when used as collateral. To meet certain objections raised, two changes in the resolution as originally approved were proposed, the first being the substitution of a different form of identifying stamping to be employed and second, limiting the stamping to such bills as shall be attached to drafts drawn on merchants agreeing to co-operate.

The resolution as finally prepared is as follows:

Resolved, That pending the enactment of satisfactory controlling law or the adoption of some form of protection more nearly meeting the necessities of a large situation than it is possible to at once arrange for, this Committee recommends that the Chamber of Commerce and the Clearing House respectively direct or advise that their members, or such of them as may assent thereto in common writing, on and after November 20th, 1911, shall observe the following rules in handling or negotiating "order" bills of lading for account of merchants domiciled in Baltimore. Banks or other collecting agency in this city upon receiving for cash or for collection, from out of town correspondents, drafts with "order" bill of lading attached and payable in Baltimore, and drawn on merchants assenting to the plan, shall before presenting such drafts for payment impress or write upon the reverse of each and every "order" bill so received, and to be manually signed by the Cashier or other duly accredited agent, the following statement, to wit,—

"This Bank hereby notifies all persons that in collecting the draft to which this Bill of Lading was attached, it is acting as a collecting agency only; and is not responsible for the genuineness of this bill, nor for the quantity, quality or the delivery of the goods called for thereby, nor for the genuineness of the endorsements thereon.

Baltimore, Md.,.....1911.

.....Bank.
by.....Cashier.

All banks, parties to the agreement, shall engage that without exceptions for any cause, or from any customer, they will accept as collateral only bills upon which such signed impression or writing shall appear or upon which in its absence shall appear in writing a statement signed by the proper agent of a delivery carrier in this city to the effect that such carrier has a manifest or other evidence of genuineness.

Merchants entering the agreement shall engage that they will not offer or attempt to pledge with any banking institution in this city any bills of lading not vided as indicated and further that should they find that any bank or collecting agency in this city would for any reason decline to affix in the form indicated the required certificate, the drawees of drafts having attached thereto bills upon which the desired certificate is not furnished, shall forthwith advise the makers of the drafts that future drawings must be so routed as to reach one of the banks co-operating in the agreement and at the same time naming the banks assenting thereto.

At a subsequent meeting of the Association held on 7th day of December all member banks being represented, the above resolution was unanimously adopted, excepting that the National Union Bank reserved the right to accept unstamped bills as collateral.

At this meeting certain correspondence was read giving in some detail the features of a plan proposing the establishment of a "Clearance Bureau" under the management of the Traffic Department of the Chamber of Commerce in the use of which both banks and merchants would be alike benefited. Your committee was continued with instructions to conclude negotiations.

It now has to report that these have been practically and happily concluded, thanks to the hearty and sympathetic attitude of both the merchants and the carriers.

The Chamber of Commerce through its Traffic Committee will establish early in January next and on a date to be announced, a Clearance Bureau of which Herbert Sheridan will have charge. The Bureau has arranged to obtain from the delivery carrier in Baltimore early information first of the presence of manifest or way bill confirming genuineness of outstanding bills of lading and second report of arrival of goods at destination. Banks are asked to daily send the Bureau a list of bills accepted as collateral on such day, and receive from the Bureau its report on cars previously listed for tracing, all on forms now being prepared.

The general adoption of the plan as herein outlined will lessen to the narrowest possible limit the risk attaching to the handling of "Order" bills.

This Committee recommends that a copy of this

explanatory letter be sent to members of the Association, that all be asked in making acknowledgment to agree to co-operate in the work to be undertaken by the Clearance Bureau. It is further suggested that interested banking institutions not members of the Clearing House be invited to avail themselves of the advantages of this plan.

All member banks have been supplied with a common form of identifying stamp. Upon receipt from the Chamber of Commerce of list of merchants assenting to the plan, the banks will be furnished copy, whereupon all members are requested to use the proposed stamping.

Very truly,

WILLIAM INGLE,
EUGENE LEVERING,
H. B. WILCOX,
Committee.

OVERDRAFTS.

THE following form of circular letter, prepared and forwarded by a national bank in Wyoming to customers who overdraw the accounts, would seem to afford a useful suggestion which might be adopted by other banks who are troubled by over-drawing customers:

THE BLANK NATIONAL BANK.
Blank, Wyoming.

M.....

Your account is now overdrawn in the amount of \$.....; in this connection your attention is respectfully called to the opinion of the Supreme Court of the United States on over-drafts. (Minor vs. Mechanics Bank of Alexandria, 26 U. S. R. (1 Peters), 46, 70, 71, 72.)

"What is the usage set up in this case? It is a usage to allow customers to overdraw, and to have their checks and notes charged up, without present funds in the bank—stripped of all technical disguise, the usage and practice thus attempted to be sanctioned, is a usage and practice to misapply the funds of the bank; and to connive at a withdrawal of the same without any security, in favor of certain privileged persons. Such a usage and practice is surely a manifest departure from the duty, both of the directors and the cashier, as can not receive any countenance in a court of justice. It could not be supported by any vote of the directors however formal; and, therefore, whenever done by the cashier is at his own peril, and upon the responsibility of himself and his sureties. It is anything but 'well and truly executing his duties as cashier.'"

Your co-operation in avoiding future overdrafts and in eliminating the present one will be sincerely appreciated.

Respectfully yours,

A. BLANK, Cashier.

OPINIONS BY GENERAL COUNSEL.

Summary of Questions Received and Opinions Rendered to Members of the Association.

THEFT OF STOCK COLLATERAL.

Liability of pledgee bank to owner—Power of bank to give bond of indemnity for duplicates.

From West Virginia.—Last January our bank (national) was robbed of a number of stock certificates held as collateral and to enable owners to get duplicates this bank became surety on indemnity bonds. In one case a bond was refused, claiming the bank had no right to so become liable and the matter was taken up with the Comptroller who advised: "If your bank is not liable to the owner for the stock certificate which you state was stolen from your bank in January last, it is ultra vires of your bank to sign an indemnity bond. If, however, your bank is liable to the owner for the loss of the certificate, no additional liability would be incurred by signing a bond, and the bank may become surety." The Comptroller refuses to state whether the bank is liable for the loss of the certificates, and we are therefore asking that you advise as to the liability of our bank for such loss.

The question is: Where a national bank holds certain stock certificates as collateral which are lost through robbery, is the bank liable to the owner of such stolen certificates?

I do not understand that at common law there can be any real loss to the owner of stolen stock certificates; in other words, differing from a stolen bill or note indorsed in blank or a stolen government coupon bond, as to which the bona fide transferee from a thief can acquire good title, the good faith purchaser of a stock certificate which has been indorsed in blank and stolen does not acquire title against the owner. See *Knox v. Eden Musee Co.*, 148 N. Y., 441, in which it was held that the title of the true owner of a lost or stolen certificate of stock may be asserted against anyone subsequently obtaining its possession, although the holder may be a bona fide purchaser. The New York Court of Appeals in this case, after stating certain elements of negotiability possessed by certificates of stock and showing that the rights of the owner who entrusts the stock to another, which other transfers it in fraud of the owner's rights, are subordinated to those of the bona fide transferee, says: "The courts have been frequently importuned to extend the qualities of negotiability of stock certificates beyond the limits mentioned and clothe them with the same character of complete negotiability as attaches to commercial paper, so as to make a transfer to a purchaser in good faith, for value, equivalent to actual title although there was no agency in the transferor and the certificate had been lost without the fault of the true owner or had been obtained by theft or robbery. But the courts have refused to accede to this view and we have found no case entitled to be regarded as authority which denies to the owner of a stock certificate which has been lost without his negligence, or stolen, the right to reclaim it from the hands of any person in whose possession it subsequently comes, although the holder may have taken it in good faith and for value. . . . If public policy requires that a further advance shall be made in more completely assimilating them to commercial paper in the qualities of negotiability, the legislature and not the courts should so declare." The Uniform Stock

Transfer act, which has been enacted in a few States, provides such complete negotiability but this act has not yet been passed in West Virginia.

The owner in this case, therefore, suffers no real loss because his stock certificates have been stolen, although there is a customary obligation to provide indemnity to the corporation before the issuing of a duplicate, for the corporation cannot always know that a certificate has been stolen notwithstanding the owner so states; he may falsely so represent and in reality have transferred the certificate to a bona fide holder.

The question, therefore, whether a national bank is liable to the owner of securities of which it has been robbed, would be clearer were the securities completely negotiable, such as coupon bonds passing by delivery; as to stock certificates, if there is any liability, it would simply be to the extent of taking such steps or measures as would be necessary to place the owner in the possession of duplicates and if a bond of indemnity was necessary for this, would probably extend to the giving of such bond.

Upon the question of liability for loss of securities, the general rule is that where a bank has in its custody as gratuitous bailee for safe-keeping, bonds or other negotiable securities which are stolen, it is not liable for the loss unless it resulted from gross carelessness. *Nat. Bank v. Graham*, 100 U. S. 699. But where bonds are held as collateral security at the time they are stolen, the bank is obliged as bailee for reward to exercise that degree of care in their safe-keeping which a reasonably prudent and cautious man would exercise in the care of his own property of the same kind; and it does not follow that the bank is not liable if it is as diligent in the caring of such bonds as it is of securities of its own, for it may have been careless of the latter. *Prather v. Kean*, 29 Fed. 498, 501.

In the case you present, no facts are stated connected with the robbery from which it can be judged whether reasonable care was or was not used. If the robbery was the result of a "hold-up" there would probably be no want of reasonable care; on the other hand if the securities were left carelessly exposed on a desk and were stolen from there while their custodian was temporarily absent this would probably be held a lack of reasonable care. The following state of facts was held not only an absence of reasonable care but gross carelessness: Bonds were stolen while the bank was open; they were in a safe so situated as to be accessible to a person entering from the street; the employees of the bank did not at all times have the safe in view; and sometimes the door of the safe was left open. *Pattison v. Bank*, 80 N. Y. 82. In the present case, however, your saying that the bank "was robbed" would imply that the securities were taken by force and violence.

Without further discussion I will summarize as follows:

In the absence of statute, the theft of stock certificates imposes no real loss on the owner but only the burden of obtaining duplicates, for the reason

that no subsequent holder can deprive the true owner of title; therefore a national bank holding such certificates as collateral security when stolen, would not in any event be liable for the value of the certificates, there being no loss of value, but at most, might be held to assume the burden of obtaining duplicates and placing the owner in the same position as before the theft; and the bank would not be liable at all if it exercised reasonable care in the safe-keeping of the securities.

Assuming in the present case the bank has exercised reasonable care and is under no liability or obligation, because of the loss, to aid the owner to obtain duplicates by becoming surety on a bond of indemnity, I cannot exactly agree with the conclusion that the joining in such a bond would necessarily be ultra vires the bank. If the indebtedness for which the collateral was pledged has been satisfied it would doubtless be ultra vires for the bank, being under no liability to the owner, to become surety of the obligation of another; but if the debt remains unsatisfied, the bank itself has a special title as pledgee which needs to be safeguarded by the procuring and lodgment with it of duplicate stock certificates as collateral, and if becoming surety on the bond is necessary to this end, it seems to me it would be within the power of the bank so to do. Of course I do not know what the facts are in this connection.

PASSING WORTHLESS STATE BANK BILL.

A person passing for value a genuine but worthless bill of a State bank, no longer in existence, is not guilty of any crime under the Federal law; but might, in a proper case, be held under a State statute punishing the obtaining of money under false pretense.

From Tennessee.—A negro man, being desirous of contributing to a church debt, offered a \$20.00 bill, and was given \$19.50 in change for his bill; the money he offered was a bill issued sometime before or during the war by a S. C. bank, which bank is not in existence today. The bill looked as though it had been tampered with. What I wish to know is, if the bill was a genuine bill of that bank, was he guilty of passing counterfeit money, or what is he guilty of?

Assuming the State bank bill genuine, I do not think the man can be held guilty of passing counterfeit money. At most, if he knew the bank was out of existence and that the bill was worthless he might be held under the state statute punishing the obtaining of money under false pretenses.

The act would not be a crime punishable under the Federal Law. In *U. S. v. Beebe*, 149 Fed. 618, decided in 1906 defendant had succeeded in passing a genuine \$5.00 note of the Oil City (Pa.) Bank issued in 1862 and worthless. He was indicted under Section 5431 U. S. Revised Statutes for the passing of a counterfeit \$5.00 treasury note. The contention was that the note was in similitude of a \$5.00 treasury note for which it was liable to be mistaken. The court holding the defendant could not be convicted, said in part: "This is a case to be dealt with by the State and not the Federal Law. On its face the bill is that of the Oil City Bank, a State institution, and is to all appearances genuine. Whether the bank is now in existence we do not know; nor whether, if it is, the note would be redeemed upon presentation. Nor is it ma-

terial. The charge is that it is in similitude of a \$5.00 treasury note or greenback, for which it is liable to be mistaken because of the color in which the back is printed and as which it was passed by the defendant. It may be, according to cases cited, that there does not have to be a direct imitation or counterfeiting of the terms and design of a government note or obligation in order to bring the case within the act of Congress; but there must be at least such a resemblance if not simulation, as is not only calculated to deceive a person of ordinary intelligence but as enables us to say with some degree of certainty, that in disposing of or using it, the party charged was evidently trying to palm it off as a genuine obligation of the Government. In *U. S. v. Fitzgerald*, 91 Fed. 374, the security was purposely dressed out to look like a U. S. 5-20 gold bond, for which it might be easily mistaken. . . . *U. S. v. Stevens*, 52 Fed. 120, is no doubt in line with the case in hand. But opposed to it and of equal authority, are *U. S. v. Wilson*, 44 Fed. 751 and *U. S. v. Kuhl*, 85 Fed. 624, in each of which it was held that there can be no conviction for passing a confederate note, even though in size, shape, color and denomination, it might be like the current money of the United States for which it was received. Justifying this conclusion it is pointed out in the latter case that a broader ruling would make all State bank issues obnoxious to the act, whether solvent or insolvent; with regard to which it might be also further observed that State currency is not prohibited, but is merely taxed out of existence; notwithstanding which, if any one desires to put out notes or bills to pass as money, there is nothing to prevent it, to say nothing of being charged with counterfeiting if they happen to prove worthless. * * *

It seems clear therefore, that the negro man in the case stated has committed no crime under the Federal Law. With regard to the State law Section 6601 of the Code of Tennessee provides for the punishment of persons passing counterfeit bank bills, but I hardly think there can be any conviction under this section as what was passed, was not a counterfeit but a genuine bill. If the man is to be convicted at all I think it would have to be under Section 6568 of the Code which punishes the obtaining of money by any false pretense with intent to defraud.

AMBIGUOUS CHECK.

Where words ambiguous as to sum payable, reference may be had to figures to fix the amount.

From Wyoming.—We quite often have checks presented to us for payment where the figures would read \$181.50 and the body of the check would read One Eighty One and 50-100, the hundred being left out. Would we be safe in paying the amount called for in the figures, or would it be the best policy to have the check corrected before accepting it?

The Negotiable Instruments Law provides the following rule of construction where the instrument is ambiguous:

"Where the sum payable is expressed in words and also in figures and there is a discrepancy between the two, the sum denoted by the words is the sum payable; but if the words are ambiguous or uncertain, reference may be had to the figures to fix the amount."

Under this I think it would be safe for the bank to pay the amount called for by the figures, namely, \$181.50.

FRAUD BY CUSTOMER.

Inducing bank to honor overdrafts on false promise to make good—Question of criminal liability.

From Pennsylvania.—We received from the Pittsburgh Clearing House some checks drawn by one of our customers, amounting to between \$200 and \$300 more than his balance on deposit. We had never allowed this customer to overdraw his account, nor allowed him any other form of credit, but on this occasion our Assistant Cashier called him over the phone, and told him he was short and said that the checks would have to be returned if not made good. The customer said he had some funds in hand and would have enough to make good when his wagons came in, and would deposit enough the next morning to cover the shortage. (We receive our letter after closing time and checks must be returned the same day if not good.)

Upon this representation the checks were paid, and instead of making good the shortage the customer closed out his business in three days, and left the city. We understand he is now in Baltimore.

Did the customer's action in this matter make him liable by way of "false pretense," or otherwise open to criminal action against him. Two attorneys on our Board differ in opinion on this question.

I think it would be difficult to convict your customer on the facts stated. In order to bring a case within your false pretense statute, the following things are requisite (1) a false pretense (2) an obtaining property by it (3) an intent to defraud. No case is within the statute unless all of these things co-exist in it. *Commonwealth v. Schmunck*, 22 Pa., Super. Ct., 348. The courts quite generally hold that to constitute the crime of obtaining money under false pretenses, the pretense relied on must relate to a past event or an existing fact and any representation as to the future, however false and fraudulent, is not within such statutes. If, however, the statement of intention to do a particular thing in the future is made in connection with other statements as to an existing fact, shown to be false, and the latter statements are part of the inducement under which the defrauded person parts with his money, there may be a conviction.

According to the facts given, your customer when he made the statement to you said (1) that he had some funds on hand which were not at the moment enough (2) but that he would have enough to make the checks good when his wagons came in and would deposit enough the next morning to cover the shortage. The first part of the statement was all that related to an existing fact, while the latter part was a representation as to the future. The first part of the statement might have been true while the latter part of the statement would not, as I understand, be a false pretense within the statute; furthermore the point might be made that the customer did not obtain the bank's money but it was paid to the holders of his checks. Without going into the subject further I think, therefore, it would be difficult to obtain a conviction. The customer, of course, has defrauded you but it is very questionable whether he has committed a crime under the Pennsylvania False Pretense Statute.

NATIONAL BANK PRESIDENT AS BOND BROKER.

A national bank has no power to act as broker in stocks and bonds and its president who sells bonds in a personal capacity has no authority to bind bank by promise that bank will take up bonds thus sold.

From Oregon.—The president of a national bank made it his business, apart from his duties in the bank, to sell bonds and charge commissions on the same; such commissions were retained by him as his private fees. It was known to the directors of the bank that he was doing this and it was also known to some of the people in the community that he was doing this as a private business. In one instance he sold a bond to a party and made the statement that in case the party desired to dispose of the bond at any time the bank would stand ready to take it up. Whether or not the buyer of the bond knew that he was carrying this business on privately is not known at this time. The person buying this bond later on wished to turn in the bond for cash at the bank and claimed that the president of the bank had said that the bank would take up the bond whenever he wished to dispose of it. In the meantime the party selling the bond was no longer president of the bank and was no longer connected with the bank, either as a director or a shareholder.

The question now is, is the bank legally bound to take up this bond? No statement was left in writing to the party holding the bond; it was simply claimed that the president made the statement that the bank would take up the bond. Under the By-laws of the bank the president had no authority to make such a statement or to bind the bank in such a way.

The national bank is not legally required to take up the bond as the president had no power or authority to bind the bank in this way.

In *First Nat. Bank of Allentown v. Hoch*, 89 Pa. 324, H left \$1,000 with the president of a national bank and took the president's receipt stating that the money was to be invested in bonds of the city of Allentown. The president misappropriated the money and H sued the bank. The court held that he could not recover; that a national bank has no charter, statutory or incidental powers to act as a broker or agent in the purchase of stocks and bonds; that the receipt given to H showed on its face that the transaction was not within the usual course of business of the bank and was therefore not binding on the bank, although signed by an officer thereof; that the president is the executive agent of the board of directors within the ordinary business of the bank, but cannot bind it by a contract outside thereof without special authority. To same effect, *Weckler v. First Nat. Bank*, 42 Md. 581.

In *Grow v. Cockrill*, 63 Ark. 418, the court says (page 425): "The decisions all seem to be to the effect that the business of a broker (and a broker's business is to loan the money of others or borrow for others and such like) is not a business in which a national bank can lawfully engage."

See, also, *City Electric Co. v. First Nat. Bank*, 65 Ark. 543, wherein it is held that as a national bank cannot engage in the business of a broker, its officers have no authority to negotiate in its name notes which do not belong to it.

Without further citation and applying these decisions to the facts of your case, even had the president been authorized by the bank to sell the bond and to promise that the bank would take it up, such a

transaction would have been beyond the power of the bank and the promise unenforceable; and with stronger reason is the bank not bound when the president acts without authority of the board of directors and sells bonds in a personal capacity.

COMPETENCY OF NOTARY.

Stockholder of bank generally held by courts disqualified, as notary, to take acknowledgments of instruments running to bank—In Idaho where question not decided, safer to follow this rule.

From Idaho.—Can you give me any information as to whether it is correct for an officer (Cashier or Assistant Cashier being stockholders) to acknowledge as a notary public any paper in Idaho in which the bank has a direct interest? Such for instance as a chattel or real estate mortgage. Our attorney states that the law is rather vague in Idaho on this subject.

The weight of authority, where unchanged by statute, is to the effect that an acknowledgment of a mortgage taken by a notary public who is a stockholder in a bank which is the mortgagee or a beneficiary under the mortgage, is void because of the pecuniary interest of the notary. The courts in a few States hold to the contrary of this. In Idaho the question does not appear to have come up for decision. I think it would not be safe under the existing condition of the law for an Idaho bank to take a chattel or real estate mortgage acknowledged before its cashier or assistant cashier, as notary, where such officers are stockholders of the bank. I drafted a statute in December, 1908, designed to qualify notaries in such cases and this statute has been enacted to date in Michigan, Montana, New Jersey, Wyoming, Maine and South Dakota. It would be advisable to urge the passage of this statute before your next legislature.

COMPETENCY OF NOTARY.

In Mississippi notary who is stockholder of bank presumably incompetent to take acknowledgment of instrument running to bank—Discussion of competency to make protests.

From Mississippi.—I am anxious to know, if a notary public who is an officer, director, stockholder, or clerk of a bank in Mississippi, is competent to take acknowledgments of, or protest their own bank's paper.

A majority of courts have held that a stockholder of a bank is disqualified, because of his interest, to take acknowledgment as notary of an instrument running to the bank. I presume this same rule would prevail in Mississippi, as your courts have held that an acknowledgment of a deed of trust taken by a chancery clerk who is cestui que trust is invalid. *Wasson v. Conner*, 54 Miss. 351; *Jones v. Porter*, 59 Miss. 628. Where, however, the notary is an officer or clerk and not a stockholder he would be competent because he has no indirect pecuniary interest such as a stockholder in the transaction.

Concerning protest of the bank's paper by a notary who is a stockholder there is very little authority and such as exists is to the effect that a notary is competent to take acknowledgments of instruments

running to his bank although he is a stockholder and this has been so held in one State where he has been held incompetent, because a stockholder, to take acknowledgments. There may be some question as to the notary's qualifications when a stockholder, to protest the bank's paper although as yet I know of no decision where the notary has been held disqualified. Where the notary is not a stockholder, but an officer or clerk, there would be no disqualification and even though a stockholder there would be no question, in my opinion, that he would be competent to protest paper not owned by the bank but held for collection.

COMPETENCY OF NOTARY.

In Washington notary who is stockholder of corporation has been held competent to take acknowledgments of mortgages running to his institution—Probably also competent to protest bank's paper.

From Washington.—Please advise us whether a notary who is an officer and director in a state bank in the State of Washington is legally competent to take acknowledgments of mortgages to the bank he is connected with and to protest notes or checks for them.

The Supreme Court of Washington in *Bank v. Lawrence*, 32 Wash. 572, has upheld the competency of a notary, although a stockholder, to take acknowledgments of mortgages running to his institution. In that case a mortgage to an investment company was acknowledged before a notary who was its president and a stockholder. The court held the notary not disqualified. It said: "The mere fact that the notary in this case was an officer and stockholder in the corporation to whom the mortgage was executed, would not preclude his taking the acknowledgment of the mortgagor. The taking of an acknowledgment by a notary public is a ministerial act, and may be performed by anyone qualified to act as notary." A majority of courts in other States, however, take a contrary view.

In view of this decision, I am of opinion that a notary in the State of Washington would be likewise competent to protest paper owned by the bank of which he is a stockholder.

FORGED BEARER CHECK.

Responsibility for loss as between payor and bank receiving payment in a stated case.

From Mississippi.—I would like your opinion as to right of X bank to recover from Y Trust Co., payment of \$10 made to them on enclosed forged check. (The check enclosed is drawn on X bank, payable to cash or bearer bearing the signature and indorsement R. G. W., both of which are forgeries). The check was paid through the Clearing House on November 10th. X bank only discovered the forgery on December 12th, and on that date reported the forgery to Y Trust Co., and said company as a matter of fact does not recall any circumstances connected with the cashing of the item. From the indorsement on the check, however, the Y Trust Co., assume that the check was presented by some one to them for payment after banking hours on November 9th, but that the check was cashed at their Savings' Department window (the check also being indorsed Savings Department) for the reason that the Savings Depart-

ment keeps open some hours later than their commercial department.

Another point. Both X bank and the Y Trust Co., feel confident we recognize the identity of the writing as that of one of the former customers, of Y Trust Co., whose signature they of course have on file, who, however, closed his account with them about November 7th; and, who furthermore left this city on the night of November 9th, since which time he has not returned nor is his whereabouts known.

I do not find that the courts of Mississippi have passed on the question of responsibility between banks in case of forged checks. The general rule, as you probably know, is that the drawee bank is bound to know the signature of its customer and if it mistakes the signature and makes payment on a forgery thereof it cannot recover the money from a bona fide holder who has received payment. Under this general rule your bank would not be entitled to recover the money from the trust company. But to the general rule many courts have made exceptions. Some courts hold that where the loss has been sustained by the holder of the check before it is honored by the drawee, the holder will not be allowed to afterwards shift the loss to the drawee by retaining the money received in payment, in the absence of showing that he was prejudiced by receiving such payment. It has also been held in a case somewhat similar to yours, *Williamsburg Trust Co. v. Tum Suden*, 120 N. Y. App. Div. 518, that the drawee may recover back the money where the holder receiving payment was guilty of negligence in not discovering the forgery. That was a case where checks payable to bearer were cashed by defendant who indorsed them in blank and received payment from the bank on which drawn. It was shown in the case that the defendant had had frequent dealings with the person whose name was forged and it was negligence on his part to mistake the signature; further, by indorsing the checks which did not require indorsement he diverted the drawee from that careful scrutiny which otherwise might have been given the checks; and again the checks had been cashed before they had been collected and it would be inequitable in such a case to permit the holder to shift his loss upon the payor bank by retaining the money collected.

Your case is somewhat similar. The check is made payable to cash or bearer and does not require indorsement. The drawer's name appears on the back and the check was cashed by the Savings Department of the Trust Company for one of their former customers in whose handwriting is the signature and indorsement. Furthermore cash was given for the check and the loss incurred the day before payment was received from the drawee. Under these circumstances it strikes me it would be more equitable to place the loss on the trust company, as having originally suffered the loss which should not be shifted to the drawee; and especially is this true if the indorsement was placed on the check by one of their customers at the time he received the cash, for the trust company should know the identity of its customer and that he was not R. G. W. This is the way the matter strikes me, although should a case involving like facts be presented to a Mississippi court the general rule might be applied without modification that the drawee cannot recover money paid on forged signature to a bona fide holder.

LIMITATION ON LOANS.

Question whether certain discounted notes are to be regarded as commercial or business paper within the meaning of the Virginia statute excepting such paper from restrictions on money borrowed.

From Virginia.—We will thank you for an opinion on the following matter of controversy which has arisen between our State examiner and this bank. The facts are as follows: There were two firms doing business in this town, one of them E. F. & Co., the other T. F. & Co. The first named company had been in business for a long time, and is still doing a successful business.

E. F. & Co., and H. K. T., composed the firm of T. F. & Co., E. & F., bought out T.'s interest in T. F. & Co., and entered into partnership with Mr. J. W. P., under the style of F. Furniture Co., putting into the concern the furniture purchased from T. F. & Co. For the interest which Mr. P. acquired in this property, he executed notes to E. F. & Co., who were the owners of it and sold it to him, aggregating \$11,000. These notes were payable to E. F. & Co., or order, at this bank, without offset, value received, homestead and all other exemptions waived. They are negotiable notes in every sense of the word and were executed in a legitimate business transaction and for actual value received. This bank has discounted three of these notes, two for \$2,500 each and one for \$1,200. Mr. P. had no interest in the firm of E. F. & Co.; he had no interest in the firm of T. F. & Co. After E. F. & Co., had acquired the entire right to the stock of goods of T. F. & Co., Mr. P. then purchased an \$11,000 interest in those goods, and with the owners of the remaining interest formed the F. Furniture Co. These P. notes are secured by a deed of trust on real estate.

We contend that this is commercial paper while the Bank Examiner contends that the indorsement of E. F. & Co., is an accommodation indorsement and if his contention is correct, it is an amount in excess of the limit of accommodation indorsements to which the parties would be entitled under our laws.

While the question is somewhat perplexing and not free from doubt, I would incline to the view that the notes in question were commercial or business paper and not subject to the limitations upon money borrowed by a single firm.

The Virginia statute, after providing a limitation upon the amount of money borrowed by any person, partnership or corporation, makes the following exception:

"But the discounting of bills of exchange, foreign and domestic, drawn in good faith against actually existing values by persons negotiating the same and the discounting of commercial or business paper, actually owned by the person negotiating the same, shall not be considered as money borrowed * * *."

This exception is substantially the same as that contained in the National Bank Act wherein, however, the limit of loans to a single borrower differs in amount from the Virginia act. Explaining the provision of the National Bank Act the New York Court of Appeals has said (*Second National Bank of Oswego v. Burt*, 93 N. Y. 233):

"The object of this provision of the currency act was to guard National banks from the hazard of loaning money in improvident amounts upon speculative and accommodation paper, but it contemplated and permitted, to an unlimited amount, the discount of paper used and required in facilitating the transfer of property and money in the transaction of the legitimate business of the country."

It does not seem to me that the notes in question can be regarded as speculative or accommodation

tion paper. If E. F. & Co. had sold furniture to various customers and taken in payment from such customers promissory notes, which the firm had indorsed and discounted with the bank, such notes would clearly come within the exception of commercial or business paper, the discount of which is not to be considered as money borrowed. What the firm did do, as I understand, was to sell a certain amount of their furniture to P. for the purpose of joining with him in the formation of a new and additional partnership and for which they received P's notes secured by deed of trust on real estate. It strikes me that such P. notes ought to be considered as commercial or business paper.

CHECK INDORSED BY DRAWER.

Check lacking indorsement of payee, but indorsed by drawer is not payable to bearer—Not safe for bank to pay to holder without express instructions from drawer.

From California.—Will you kindly advise whether a check lacking the indorsement of the payee but indorsed in blank by the drawer, is payable to bearer without the indorsement of the payee?

A check lacking the indorsement in blank of the payee, but indorsed in blank by the drawer is not payable to bearer. Notwithstanding the indorsement by the drawer and the seeming authority thereby conferred to pay, the safest rule to follow is to refuse payment to the holder until properly indorsed, unless the drawer should expressly instruct the bank to pay. The indorsement by the drawer may not have the same significance in all cases. It may be that the drawer after executing the check, decides not to issue it to the intended payee and, instead of destroying it, gives it to someone else with his indorsement on the back as a guaranty, intending to certify to the bank that the check is good in his hands. Payment in such a case might be all right if the bank could know that such was the drawer's intention and the significance of his indorsement. But, again, the drawer may have put his name on the check for the purpose of vouching for the genuineness of the payee's indorsement, which the latter intends to put on, but before doing so, the payee loses the check and it is presented by the finder to the bank. Payment in such case, the check not being payable to bearer, because lacking indorsement of the payee, would be the bank's loss. It is therefore not safe for the bank to pay a check of this character without express instructions from the drawer.

CHECK "IN FULL PAYMENT OF NOTE."

Where the debt for which such check is given is fixed and undisputed, acceptance of check by creditor does not bar recovery of balance due; otherwise if claim is disputed and unliquidated.

From California.—A gives the bank a check for \$140, on which he has written the words, "In full payment of note." The correct amount due on the note is in fact, \$150. The bank uses the check and applies it as partial payment, by indorsement of \$140 on the back of the note and sends A a notice, demanding payment of the remaining \$10.00.

Does the tender by A of the check constitute a "new offer in settlement," and when so received by

the bank, bearing the words mentioned above, does the check legally settle the claim?

This question has often come up with us, not possibly in the form as stated above, but in regard to bills at stores, payment for chattels and the like and we have always been in doubt as to the proper ruling and as to what advice to give customers in such cases.

Where the correct amount due on a note is \$150, the acceptance of a check for \$140, bearing the words "in full payment of note," does not settle the entire debt and the holder of the note is entitled to the remaining \$10.

According to the authorities, when a check is tendered containing the words "in full to date" or "in full of account," or other words indicating the intention of the maker that it is given in full settlement and satisfaction, the question whether its acceptance by the creditor will bar him from recovering anything more, depends upon the nature of the claim. Where the claim is disputed and unliquidated, the acceptance of the check involves the acceptance of the condition on which it is offered and bars further recovery; but where the debt for which the check is given is fixed and undisputed, acceptance of a check for less amount than the debt, does not bar recovery of the balance due, although the check expressly states that it is given in full of the debt.

CHECK "WITH EXCHANGE."

Where check drawn and payable at same place, the words "with exchange" are without effect.

From Iowa.—I enclose copy of check drawn for \$9.96 containing the words "with exchange." The last indorser, the First National Bank of this place, attempted to collect \$10.06 on this check—\$9.96 and 10 cents exchange. What do the words "with exchange" mean on this check? Does the last indorser have the right to add to the face of the check his exchange charges when presenting same for payment?

The words "with exchange" on the check in question, the instrument being drawn and payable at the same place, are meaningless or mere surplusage and the holder is only entitled to demand the face of the check. Where an instrument is drawn and made payable at the same place, it has been held in several cases that the words "with exchange" have no effect as in such case there can be no exchange. See *Chandler v. Calvert*, 87 Mo. App. 368; *Buck v. Harris*, 125 Mo. App. 365; *Clausen v. Stone*, 29 Ill., 116; *Hill v. Todd*, 29 Ill. 103. The case would, of course, be different if the check called for exchange on another place.

POST-DATED CHECK

Payment before date is at the risk of the bank which has no right to charge up against customer before due date.

From Missouri.—Will you kindly give me your opinion as to the liability of a bank in cashing a post-dated check where checks correctly dated and presented later are turned down on account of insufficient funds? Under these circumstances, can the maker of a post-dated check claim damage because of the bank's cashing his check before the date given thereon? Please cite authorities.

A bank has no authority to pay a post-dated check of its customer until the day of its date arrives. If it prematurely cashes such a check, it has

no right to charge up the amount to its customer's account before the due date and if it does so and thereby makes the balance insufficient to meet subsequent checks of its customer, it would certainly be liable to the latter in damages for refusing to pay such later checks.

In support of the above, I would refer you to Morse on Banks & Banking, Section 389, and authorities there cited. The following extracts from that section will probably serve your purpose:

"A post-dated check is payable on, or at any time after, the day of its date . . . but it is the bank's own risk if it pay before that day. Such a payment is irregular, and circumstances may easily supervene under which the bank will be held to pay the amount again, or to restore it to the credit of the drawer, if it has debited him with it; which, however, it has no right to do . . . His check is no order till it has matured. So if in the interval he continues to draw checks, the bank must continue to honor them upon presentment, so long as his account, without decrease by the debit of this item, is sufficient to meet them, until the day of the date arrives. When that day does arrive, the bank may of course appropriate the sum it has paid out. But if then the intervening drafts have so diminished the depositor's balance that the remainder is not enough to meet the amount of the post-dated check, the deficiency must be the loss of the bank. (Grant on Bankers and Banking, p. 64; *Da Silva v. Fuller*, Chitty on Bills, 180 (10th Eng. ed.), cited in *Morley v. Culverwell*, 7 M. & W. 178; *Godin v. Bank of the Commonwealth*, 6 Duer (N. Y.), 76; *Byles on Bills*, p. 14 *Sharswood's ed.*). Its only source of restitution is from the depositor. Even the right to demand reimbursement from him may be taken away by his revocation in the interval before the maturity. If after the bank has paid, but before the date of the instrument gave it the right to pay, the drawer countermands his immature order and forbids payment, it is certain that the anticipatory action of the bank cannot operate to deprive him of this right. . . ."

Bolles on Modern Law of Banking also says:

"A post-dated check is valid, but it ought not to be paid before the day-date. (*Frazier v. Trow's Printing Co.*, 90 N. Y. 678, affg. 24 Hun 281.) If it is, the depositor can recover his money. (*Godin v. Bank*, 6 Duer (N. Y.) 76.) Such a check is transferrable like any other. (*Mayer v. Mode*, 14 Hun (N. Y.) 155.)"

CHECK TO "JOHN SMITH (BEARER)."

Opinion that check not payable to any bearer but to John Smith who is the bearer.

From Massachusetts.—A draws check on us payable to the order of John Smith (bearer). Party presents same for payment and indorses John Smith. Are we justified in paying same without having John Smith identified?

I would construe a check payable to order of "John Smith (bearer)" as not payable to bearer, but as payable to John Smith, who is the bearer; hence identification of the person presenting as John Smith would be necessary for the bank's safety. Concerning a check "Pay to the bearer John Smith" the Supreme Court of Iowa (*Warren v. Scott*, 32 Ia. 22) has said that the instrument "is not payable to bearer generally, but to a particular bearer, John Smith. Its legal effect is the same as though the word 'bearer' had been omitted." I think the same would be held of a check payable to "John Smith (bearer)."

STOPPED CHECK.

Drawer of check who has been defrauded has right to stop payment but would be liable to holder in due course.

From Oklahoma.—John Doe sells the Oklahoma Mercantile Co., 8 bales of cotton and delivers four of them, receiving as part payment Oklahoma Mercantile Co.'s check for \$175.00 with the following notation on the face of the check "Part payment on 8 bales of cotton." John Doe goes to a nearby town and draws the money on this check and leaves for parts unknown. In the meantime the Oklahoma Mercantile Co., find that this cotton is covered by a mortgage, and they have to give up the cotton. They immediately notify the bank this check is drawn on not to pay this check. Are they acting within their rights in the matter? Who has to lose this money in the event that John Doe cannot be found?

I assume from your statement that the check was not paid by the bank on which it is drawn, but that it was cashed by a bank in a neighboring town and payment was stopped before the check was collected. The mercantile company, of course, had a right to stop payment, but it would still be liable to the holder in due course of the check. The statement on the check of the consideration for which it was given "Part payment on 8 bales of cotton," did not affect its negotiability, and anyone who gave value to the payee for this check, not knowing that it was obtained by fraud, is entitled to enforce its payment from the drawer.

WRONG DESCRIPTION IN MORTGAGE.

Record does not protect mortgagee against subsequent purchaser or mortgagee for value; but mortgagee has an equitable title, good against owner or attaching creditor.—How to correct mistake.

From Oklahoma.—We are anxious to know the law on this question: We, The A National Bank, took a real estate mortgage on 40 acres in a certain section. The stenographer in drawing up the papers, described the 40 acres in the wrong quarter of this section. Kindly advise me if, in the event the party who owns the land, sells it and fails to pay us have we got any rights. Our mortgage was duly recorded. There is no doubt about the 40 acres; the party intended to mortgage it to us and admits this to be all true.

If the owner of the land should sell it to a purchaser for valuable consideration without notice, or mortgage it, the purchaser's or mortgagee's title would be superior to yours as the record of your mortgage on the wrong quarter of the section would not constitute notice to a subsequent good faith purchaser. As the situation stands now you have an equitable title to the forty acres intended to be mortgaged, good against the owner or an attaching creditor of the mortgagor; but not good against a subsequent purchaser or mortgagee for value.

The course to pursue is to have the owner correct the mistake by giving you a new mortgage correctly describing the right forty acres and having that mortgage recorded; and if the owner refuses, file a bill in equity to compel reformation of the mortgage on the ground of mistake.

In *Bush v. Bush*, 33 Kan. 556, a trust deed was given in which a wrong quarter section was described.

A month later another trust deed was executed to correct the description and recorded. In the interim there came attaching and judgment creditors. The court upheld the right of the holder of the trust deed as against the latter, saying: "Although there was a mistake made in the description of the land intended to be mortgaged, the same might have been reformed at any time before the land had passed to purchasers for a valid consideration without notice. If the attaching and judgment creditors, without notice of the defect in the first trust deed, had become the purchasers of the land, a different question would have been presented; but the lands have not yet been sold under the orders of sale." The court held that the land intended to be mortgaged was in equity the land of the mortgagee for the purpose of securing payment of the debt of the mortgagor and that attaching creditors of the mortgagor could not successfully object to the reformation of the mortgage as their lien was only upon the lands of the mortgagor and not upon lands and tenements not in fact belonging to him.

BOOKKEEPER'S AUTHORITY TO INDORSE FIRM NOTES FOR DISCOUNT.

A bookkeeper authorized to indorse for deposit, has no authority to indorse notes payable to his firm for the purpose of discount and credit and bank should require power of attorney.

From Maryland.—Where a bookkeeper is authorized to indorse checks for deposit to the credit of a firm for which he is working, but he is not a member of the firm and is not authorized to sign checks for the firm, would the indorsement of the firm's name by the bookkeeper on notes, payable thirty days or longer after date, discounted and placed to the firm's credit be binding on the firm? There are two members in the partnership referred to, and all of the checks drawn against their account are signed by one member. We have requested that the indorsement of the notes, made by another concern payable to the firm above referred to, offered for discount, be indorsed by a member of the firm, or that the bookkeeper be given special authority by the members of the firm, to indorse the notes.

I think the firm should execute and file with the bank a power of attorney authorizing the bookkeeper to indorse notes payable to the firm for the purpose of having them discounted and the proceeds placed to the credit of the firm. Without such express authority his acts in so doing might be held binding upon the firm on the ground of ratification or acquiescence, but it is possible in a case where the firm should deny the bookkeeper's authority that trouble might arise. For example, suppose the bank held a past due note of the firm which the latter's balance was insufficient to satisfy and it should apply the proceeds of a note discounted by the bookkeeper in satisfaction of such note. A contention by the firm that the bookkeeper was without authority to transfer the note to the bank would raise a controversial question which would be obviated if the bookkeeper had express authority. There might also be other situations where a denial of the bookkeeper's authority might cause trouble or possible loss to the bank. I think, therefore, the proper procedure in such a case is to require a sufficient power of attorney.

GUARANTY OF INDORSEMENT.

Opinion that "all prior indorsements guaranteed," covers sufficiency of indorsement "John Jones by James White."

From Oklahoma.—The First National Bank issue their cashier's check payable to John Jones. This check comes back to them in the course of business indorsed "John Jones by James White." If the First National Bank pays this check relying on the stamped indorsement of the bank which paid the money "all prior indorsements guaranteed" and it later develops that John Jones did not receive the money, is the bank which paid the money to James White liable to the First National Bank for the amount of this check?

A bank which indorses a check "all prior indorsements guaranteed" guarantees the genuineness and validity of prior indorsements. Second Nat. Bank v. Guarantee Trust & Safe Deposit Co., 206 Pa. 616. I think the guaranty in the present case of the bank which cashes the check for White on his indorsement "John Jones by James White" will make it liable to the drawee bank for sufficiency of the payee's indorsement, where the drawee pays the check relying upon such guaranty. I think the guaranty would cover sufficiency of indorsement of the payee of a cashier's check equally as in case of a customer's check; in other words, the rule that a bank is bound to know the signature of its depositor would not apply to exclude the application of the guaranty to the signature of a payee of the bank's check, as the latter is not a depositor and furthermore, in this case, the signature is not made in person, but manifestly by the hand of another.

MAILING CHECKS DIRECT TO DRAWEE.

Validity of agreement, contained on credit advice card and remittance letter that "when instructions to the contrary are not given, items may be sent to the banks upon which they are drawn" as relieving sending bank from responsibility for loss through failure of drawee.

From Missouri.—We beg to enclose herewith one of our credit advice cards, on which are printed the conditions upon which we take out of town items, also impression of rubber stamp that we use on all letters remitting for items on outside points on receipt subject to their final payment:

All items on outside points are remitted on receipt only subject to final cash payment, and this bank assumes no responsibility for neglect, default, or failure of banks to which items are sent, nor for dishonor of returns received therefor, or losses occurring in the mail. When instructions to the contrary are not given, items may be sent to the banks upon which they are drawn and, when so sent, the above conditions are not waived or suspended. Outside items are received only on these conditions.

We would like to have you advise us if, in your opinion, the conditions in question will fully protect us in the handling of outside items, excepting, of course, negligence on our own part.

In the above connection, we would also like to have your opinion on the following proposition: On October 23rd we received from three different correspondents cashier's checks of a certain Arkansas bank, for which no returns were received, the items being sent direct to drawee bank—the only one at that point. They were duly traced, and the bank failed a few days since, whereupon we telegraphed our correspondents in the premises. The checks have now been returned to us, unpaid, and without having been

protested, and we are returning them to our correspondents. Have we any liability in the matter, credit of the items having been advised on postal cards similar to the enclosed?

The conditions on the advice card and on the remittance letter, which you enclose, seem quite full and complete to protect the bank in the handling of outside items with one possible exception, which exception has direct bearing in the case of the three cashier's checks referred to. I refer to the agreement: "when instructions to the contrary are not given, items may be sent to the banks upon which they are drawn and, when so sent, the above conditions are not waived or suspended."

The unsettled question is whether the courts will give effect to such an agreement to relieve the bank from what they would otherwise hold to be negligence on its part in sending an item direct to the payor.

The great majority of courts in this country hold that the drawee or payor is not a suitable agent to whom paper should be sent for collection and it has also been held in many States, including both Missouri and Arkansas, that evidence of a custom so to do is not admissible to change the rule. In *Missouri* (Bank v. Bank, 71 Mo. App. 451) the court has said: "It was said to be customary for banks to transmit collections to their correspondents, even though such correspondent was the debtor. To this we answer that it is not a reasonable custom and therefore must fall of recommendation by the courts. We concede that it may be, and perhaps is, in many instances, the most convenient mode for the bank entrusted with the collection. But if the bank adopts that mode it takes upon itself the risk of the consequences." In *Arkansas* (O'Leary v. Abeles, 68 Ark. 259) the court likewise holds that sending a check direct to the drawee is negligence and that proof of a custom among banks so to do is inadmissible, as custom will not excuse negligence.

This leads to the question whether a collecting bank can make a valid contract with its principal, under which it may safely and properly mail an item direct to the drawee or payor, and, in case of default of the latter, escape loss.

I am not aware that this question has ever been directly passed upon, but the Supreme Court of North Carolina, a few years ago, in *Bank v. Floyd*, 142 N. C. 187, expressed itself quite strongly to the effect that, if it was necessary to decide the question, it would hold such an agreement invalid. In that case the court held that it was negligence for a bank to send a draft to the drawee, that this was true though the drawee is the only bank at the place of payment, and that a custom by which a bank having a check upon its own correspondent in good standing, entrusts it with the collection is unreasonable and invalid, and if the bank adopts that mode it takes upon itself the risk of the consequences. The court then proceeded to discuss the effect of a credit-card by which the collecting bank acknowledged the receipt of the item and upon which was printed: "Items outside of Wilmington are remitted at owner's risk un-

til we receive full actual payment." The court said:

"The defendant says, however this may be (referring to the question of admissibility of custom) the check was received for collection pursuant to an express contract that 'items outside of Wilmington are remitted at owner's risk until we receive full actual payment.' This language was brought to the attention of the plaintiff bank, and we may assume entered into the contract under which defendant received the paper for collection. We cannot suppose that it was intended to be understood as releasing the defendant from the consequences of its own negligence. The extent to which it will be permitted to exonerate defendant bank is that it shall not be responsible for the negligence or misconduct of its sub-agents properly selected. If given its literal meaning no liability whatever in respect to the collection of the check would attach to it. This construction would relieve it from the duty of using due care in the selection of a sub-agent. If such is the proper construction of the language, and, if thereby it is relieved from the responsibility for its own negligence, we should not hesitate to hold it unreasonable and invalid. An agreement to relieve an agent or fiduciary of all responsibility for its own negligence or misconduct is unreasonable and cannot be sustained. This is elementary learning as applied to common carriers. 6 Cyc. 392. It would seem equally so when it is sought to relieve a person or corporation from all responsibility for a breach of its contractual duty by negligence or otherwise."

Notwithstanding the above opinion of the Supreme Court of North Carolina, it does not necessarily follow that all courts would hold likewise. There would seem to be a difference between the case of a common carrier and that of a bank with regard to such contracts, for the former is obliged to undertake services for all who employ him, while the latter is not. Furthermore, the sending of a check direct to the drawee is not universally regarded as a negligent act, for some few courts sanction it. Without attempting any extended discussion of the merits of the question, it would seem just as reasonable to hold that a bank, not obliged in the first place to accept items for collection, should have the right to contract to perform the service upon its own terms and conditions and where it finds it convenient and customary to mail an item direct to the payor, it does not seem unreasonable that it should be permitted, by agreement, so to do.

All that can be said in the present state of the law is that the validity of an agreement, such as contained on your credit advice card and remittance letter that items may be sent to the banks upon which they are drawn, is an unsettled question upon which the courts may take different views. If the courts uphold the validity of the condition in question and that it has the effect of a contract between you and your principal, you would not be liable for the items sent direct to the drawee bank, but if the view of the North Carolina court is adopted that such an agreement is invalid, you would be liable under the law of Missouri that it is negligence to send an item direct to the payor.

INDORSEMENT "WITHOUT RECOURSE."

Does not relieve indorser from responsibility in case note is a forgery.

From Michigan.—If a person indorses a note "without recourse" and the note is afterwards found to be a forgery, is the indorser liable in any way to the holder of the note? Would it make any difference whether he did, or did not, know that the note was a forgery when he indorsed same and it passed out of his hands.

An indorsement "without recourse" is defined as a qualified indorsement by the Negotiable Instruments Law and that law provides that "every person negotiating an instrument * * * by a qualified indorsement warrants that the instrument is genuine and in all respects what it purports to be." It follows that if a note so indorsed is forged, the indorser would be liable to a subsequent holder for value and this liability would exist irrespective of whether he has knowledge of the forgery when he indorsed the note.

PRESENTMENT OF NOTE AT SPECIFIED PLACE

Where a note is made payable at office of the makers at a particular street address and before maturity the makers have closed their office and moved to another street, opinion that, to hold an indorser, presentment at the place specified in the note would be sufficient; but that where notary knows the makers are at a new address, it would be safer to make a supplemental presentment at that place.

From New Hampshire.—Smith and Jones give their note payable one year after date at their office No. 100 Main St. Before the note matured, Smith and Jones have closed their office at 100 Main St., and have removed to another street, where they have opened an office and are conducting their business. Where should the notary make presentation in case of protest?

The Negotiable Instruments Law provides that "presentment for payment is made at the proper place * * * where a place of payment is specified in the instrument and it is there presented."

I think in the case stated, presentment would be legally sufficient, and should be made, at number 100 Main street, notwithstanding the makers have moved to another street; but where the fact of their removal and new location on another street is known to the notary, it would be safer and more conducive to the interests of the parties to supplement presentment at 100 Main street with presentment at the makers' new address, rather than arbitrarily protest the note after presentment at the closed address.

In *Schlesinger v. Schultz*, 110 App. Div. 356, an indorsed note was payable at the "Equitable National Bank, of New York." After a receiver of the bank was appointed, the note was presented at the bank and the certificate of protest of the notary showed that on a stated day he presented the note for payment at the Equitable National Bank "and found the bank closed." Upholding the sufficiency of presentment and deciding that presentment to the receiver personally was not necessary, the court said: "Notwithstanding the fact that the bank was closed, presentation at the bank was proper, if indeed any presentation was necessary under those circumstances. * * * It was not essential that a demand be made upon the receiver personally. As has been seen, the

only presentation required by the Negotiable Instruments Law where the place of payment is specified in the instrument is presentation at that place. * * * The receiver by virtue of his office, had no power or authority to receive or hold money for the purpose of meeting obligations maturing at the bank, and as to the funds that came into his possession as receiver he had no authority to appropriate any of them to payment of the note. Consequently it was not necessary to present the note to the receiver personally." It might be a possible inference from this language that further presentment than at the closed specified place would be thought necessary in a case where such additional presentment would not be futile, yet the language of the statute is positive that where the instrument is payable at a specified place, the only presentment necessary is at that place.

In *Ryan v. State*, 53 Southern Rep. (Florida) 448, a draft was drawn on "F. W. Sherman, Jacksonville, Fla., at Aragon Hotel." The draft was presented for payment at the Aragon Hotel, but not to the drawee personally because he was not found at the hotel. The drawee testified that at the date of presentment he was residing at 243 Parker street and never stayed at the Aragon Hotel. The Supreme Court of Florida, after citing the provision of the Negotiable Instruments Law as above quoted, said: "It is clearly established that the draft in question was presented for payment at the place named therein, that the drawee could not be found there, that the draft was not paid, that notice of its non-payment was given to the defendant personally and that it has never been paid. We think that this is sufficient so far as presentment and notice of non-payment are required, to uphold the verdict."

In the light of these authorities, I think it is fair to conclude, as above stated, that presentment is proper and should be made at the place designated in the note, notwithstanding the notary knows the makers have moved to another street and that in view of such knowledge it would be well for the notary also to make presentment at the existing office of the makers.

NOTICE OF DISHONOR.

Bank receiving note for collection, is only obliged to send notice of dishonor or protest to immediate principal—Express agreement would be necessary to create duty to notify all prior parties.

From New York.—Not long ago we sent for collection a note to a Jacksonville, Florida, banking institution and the paper was protested at maturity, being returned to us with the notices of protest attached. It has always been the custom in New York, in similar instances, to have the collecting bank itself send the notices of protest direct to the maker and indorsers of any protested paper before returning the same to us. We saw no reason why the Jacksonville correspondent should not have handled our interests in the same fashion and told them so. They have replied that the course which they took is proper under the law. Kindly give us your opinion.

I think the Jacksonville institution is correct in its position. The question presented is whether a collecting bank in Florida which receives for collection an indorsed note from its principal in New York, does its full duty under the law and in the absence of

express agreement when it notifies its principal of dishonor and returns the notices of protest for prior indorsers to such principal or whether the collecting bank is under duty to itself notify the indorsers prior to its principal.

This question early arose in this country and the rule became established at common law that in the absence of proof of an express contract or of commercial usage, it was not obligatory on the collecting bank to notify and duly charge all prior parties to the paper, but only its own particular or immediate indorser. *State Bank of Troy v. Bank of the Capitol*, 41 Baŕb. 343 (1864); *Phipps v. Millbury Bank*, 8 Metc. 79 (1844).

The following extract from the opinion in *Phipps v. Millbury Bank*, gives the reason for the rule above announced:

"To bind them to give notice to all the indorsers there must be some special agreement between them. The indorsers may not be known to them, nor their place of residence, and the paper not having been discounted by them they have not the ordinary means of knowledge. If banks, thus receiving notes for collection, were to be held bound to give notice to all indorsers and be made responsible for any neglect in the right performance of the duty, the service will be too onerous and a check will be put to the discount of notes payable at a different place from that where the parties are established or reside to whom the note is offered for discount; and every such check is injurious to the domestic trade of the country."

While at common law it was not obligatory upon the collecting bank to notify all parties, the following extract from the opinion in *State Bank of Troy v. Bank of the Capitol*, illustrates how, by special agreement or custom, such duty might be obligatory: "If the contract was to demand payment of the note and notify all the parties, such contract must of course

be fulfilled. Such a contract is sometimes made in express terms and sometimes it is implied from custom and usage and the course of business. In such a case it is, of course, obligatory. * * * I am inclined to think that the tendency of later adjudications is, in the absence of proof of any express contract or of commercial usage, to treat the mere corresponding or collecting agent as discharging its duty by a proper demand of payment and notice of non-payment to its principal."

The Negotiable Instruments Law (in force both in New York and Florida) has enacted the common law rule into statutory form, as follows:

"Where the instrument has been dishonored in the hands of an agent, he may either himself give notice to the parties liable thereon, or he may give notice to his principal. If he give notice to his principal, he must do so within the same time as if he were the holder, and the principal, upon the receipt of such notice, has himself the same time for giving notice as if the agent had been an independent holder."

This statute governs the duty of the collecting agent. He may either himself give notice to the parties liable thereon or he may give notice to his principal. It follows that the Florida institution was within its rights when it forwarded the notices for prior indorsers to its principal in New York instead of notifying such prior indorsers directly. To make it the duty of the Florida bank to notify all prior parties, there would have to be a clear express agreement, to this effect, supplemental to the statute. I hardly think a custom to notify all parties, even assuming the existence of such a custom, would be binding on the collecting bank in face of the positive provisions of the statute for it is a familiar rule that a custom cannot vary the terms of a general statute. Furthermore, a custom in New York would not be binding in any event upon a bank in Florida.

THE following article, which is self-explanatory, appeared in the New York World of Dec. 30th, 1911. A perusal of same will show the importance of keeping posted on articles as they appear under the Protective Department in the Journal.

This is one of numerous instances where our bank members have been saved from possible loss and resulted in apprehending various parties wanted.

CAPITALIZING HIS "NERVE," IS ARRESTED FOR FORGERY.

Man Supposed to Be Wanted in Scranton Comes to Grief While Floating Scheme in Tennessee.

Nashville, Tenn., Dec. 29.—Seated in his luxurious offices, which he had rented and furnished on the strength of his appearance and a fine "line of talk," E. Klein, alias James Stewart, of No. 128 West Twenty-third Street, New York, was arrested by the local detectives for forgeries he is said to have committed in Scranton, Pa., just as he was said to be getting ready to float a \$100,000 land deal "on his nerve."

Klein came to Nashville last Saturday and represented himself as James Stewart, the senior member of a New York contracting firm. In a few days he had made many friends, and Thursday he announced that he had purchased thirty-one acres in the most exclusive suburban section for \$84,000, on which his company would build homes that would be sold on easy terms.

A teller in the First National Bank where Klein attempted to secure credit recognized him by the picture printed in the Journal of the American Bankers' Association as a man wanted in Scranton, Pa., for forging indorsements on promissory notes. He was arrested, and after he was locked up it was discovered that the man did not have enough money to pay his hotel bill and he was charged with obtaining board under false pretenses.

NEVADA BANKERS ASSOCIATION.

THE Nevada Bankers Association held its fourth annual convention, at Reno, December 15th and 16th, at which there was a large attendance, including many visitors from California and other States.

President W. J. Harris, Vice-President of the Farmers & Merchants National Bank of Reno, called the convention to order, and the following addresses were delivered: "The Problem of the Liquid Loan," by James K. Lynch of San Francisco; "The New Orleans Convention," by Hugh H. Brown of Tonopah; "Money in Banking," by H. F. Bartine of Railroad Commission of Nevada; "Ely the Greatest Camp on Earth," by H. N. Byrne, Cashier First National Bank, Ely; "Recent Tendency in Banking," by Russell Lowry, assistant cashier the American National Bank, San Francisco.

Informal addresses were also made by L. F. Adamson, state bullion tax collector; Professor Ro-

manzo Adams of the University of Nevada; J. E. Cosgriff, president Continental National Bank, Salt Lake City; C. F. Baker, assistant cashier Crocker National Bank, San Francisco; C. L. Davis, assistant cashier Wells-Fargo Nevada National Bank, San Francisco; Harry Choyinski, assistant cashier Anglo and London-Paris National Bank, San Francisco, and others.

A banquet was given Friday evening at the Riverside Hotel, which was a most enjoyable function.

The list of officers elected for the ensuing year will be published in the next issue of the Journal-Bulletin.

NEW BOOKS.

"Principles of Bond Investment."

THE most useful book on the subject now in the Association Library is Lawrence Chamberlain's "Principles of Bond Investment," recently published by Holt & Company.

Experience—tested theories are explained in a way equally intelligible to the lay reader and, the investment specialist. The carefully digested facts relating to civil loans and municipal bonds are of especial reference value as information, heretofore difficult to obtain in such completeness from any one source.

Bankers to whom comments on the prevailing types of bonds as bank investments and the relation of bond prices to credit, etc., were submitted, have approved the statements made, and the book forms a desirable addition to the bond department of any bank.

"The Western Gate."

TO the arguments in favor of an American Merchant Marine, Banker P. H. W. Ross of Ellensburg, Washington, has made an interesting contribution in his book called "The Western Gate," recently published by Dodd Mead & Company.

Pacific Coast bankers who agree with the author that Puget Sound is "America's greatest maritime asset" will find very suggestive of future possibilities the analogy between the relation of the Northwest to Asiatic trade and that of the Baltic countries of Europe to world-trade, made possible by their sea-carrying facilities.

That the advantages of a Merchant Marine are national as well as regional, and its maintenance not only an opportunity but a duty, Mr. Ross asserts in original and thoughtful arguments forcibly expressed in vigorous English.

CORRECTION.

Owing to printer's error, there appeared in the Savings Bank Section in the last number of the Journal as the "President's address," an article by E. L. Robinson, ex-President of the Savings Bank Section, credit for which should have been given to the **Gulf States Banker** in which it appeared at Convention time. Mr. Robinson's address at the convention will be found in the proceedings when issued.



PROTECTIVE DEPARTMENT



L.W. GAMMON

MANAGER

OFFICES OF THE WILLIAM J. BURNS NATIONAL DETECTIVE AGENCY, INC.

NEW YORK, N. Y.—21 Park Row.
CHICAGO, ILL.—First National Bank Bldg.
SAN FRANCISCO, CAL.—First National Bank Bldg.
LOS ANGELES, CAL.—Walter P. Story Bldg.
PITTSBURGH, PA.—Commonwealth Bldg.
PHILADELPHIA, PA.—Real Estate Trust Bldg.
BOSTON, MASS.—201 Devonshire St.
SEATTLE, WASH.—Hinkley Bldg.
PORTLAND, ORE.—Board of Trade Bldg.
MINNEAPOLIS, MINN.—Bank of Commerce Bldg.
KANSAS CITY, MO.—Midland Bldg.
NEW ORLEANS, LA.—Whitney Central Bldg.
CLEVELAND, OHIO.—444-450 Rockefeller Bldg.

CORRESPONDENTS OF THE WILLIAM J. BURNS NATIONAL DETECTIVE AGENCY, INC.

ARKANSAS, LITTLE ROCK.—W. L. Vick, 325 West Markham St.
COLORADO, DENVER.—Kerr Detective Service, Kittridge Bldg.
DIST. OF COLUMBIA, WASHINGTON.—Edw. B. Harrigan, Stewart Building.

GEORGIA, ATLANTA.—C. E. Sears, Atlantic National Bank Bldg.
IOWA, SIOUX CITY.—W. C. Davenport Detective Agency, Iowa Building.
LOUISIANA, SHREVEPORT.—T. D. Price, City Hall.
MICHIGAN, DETROIT.—Sadler Detective Bureau, Hammond Bldg.
MISSOURI, ST. LOUIS.—Furlong Secret Service Co., Chemical Building.
OHIO, CINCINNATI.—Furlong Secret Service Co., Lyric Theatre Building.
OKLAHOMA, OKLAHOMA CITY.—Frank L. Staton, 230 American Bank Bldg.
PENNSYLVANIA, HARRISBURG.—T. G. George, 9 North Market Square.
TEXAS, HOUSTON.—J. E. Smith, 705 Drew Avenue.
VIRGINIA, RICHMOND.—Louis B. Hatke, American National Bank Bldg.

FOREIGN CORRESPONDENTS OF THE WILLIAM J. BURNS NATIONAL DETECTIVE AGENCY, INC.

ENGLAND, LONDON.—Arrow's Detective Agency, 89 Chancery Lane.
FRANCE, PARIS.—Calchas & Deblischop, 15-17 Rue Auber.

THE following is a report for the month of December, pertaining to the work of the Protective Department:

The following communication has been received by the Protective Department from a Billings, Mont., bank (M):

"On Nov. 9 a man giving his name as C. E. Cole called here leaving for collection a sight draft for \$100.00 on the New York Life Insurance Co. of New York, which we sent out for collection, but did not advance any money on it. The next day we were called up by some one over the 'phone, asking if this party had an account with us, to which we replied, giving the above information, and stating that nothing would be placed to his credit here by us, till we knew that the draft was good.

"On the 11th two or three checks were presented, drawn on us, the name of the insurance company being inserted by a rubber stamp, also the office address.

"Later checks of the same description were found to be in circulation, drawn upon a St. Paul, Minn., bank all of which were returned with notation 'No account' or 'Parties unknown'. The draft sent to New York came back with the latter notation.

"About this same date, checks came in which had been passed in Missoula, Butte and Helena. In some cases the name of the Fidelity Life Insurance Co. was used.

The description of the man claiming to be C. E. Cole, from our recollection, and from that of other parties here who have cause to remember him, is as follows: Age 25 to 28 years, weight 160 lbs., nearly 6 ft. tall, rather shallow or swarthy complexion, as if he might be a Jew, smooth face, blue eyes, brown hair, wore brown hat, gray overcoat, and blue suit when here.

The check on St. Paul was signed 'J. E. Lory, Agent' payable to C. E. Cole. Checks so far have varied from about \$15 to \$45. Name of Insurance company in all cases put on with rubber stamp.

"Party when here, made a deal for office rooms in the Stapleton Block, stating that he would not move in till the following week, and then started out

to get his checks cashed through retail stores, usually making a purchase and tendering a check for more than the amount of the purchase, getting the change, and asking that the goods be held till he got into his office, which would be in a few days."

The police of different eastern cities hold warrants for the arrest of C. Julian Stafford, alias Jack D. Law, who has passed a number of worthless checks throughout the east and middle west. Stafford is described as 35 years of age, 5 ft. 7 in. tall, medium build, brown hair, light brown moustache. Has dark eyes, wears strong eye glasses. Stutters in his speech.

A person who has employed the name of J. H. Jenkins is wanted in Hazlehurst, Miss., on a charge of forgery. He is 35 years of age, 5 ft. 8 in. tall, 160 lbs., brown hair, smooth shaven, blue eyes. When last seen wore a dark felt hat and was dressed in dark clothes.

The authorities of different cities throughout the south are seeking one Leon Hevrlly, known as the Hand Cuff King, who has cashed a number of worthless checks.

There has recently appeared in the south a party giving the name of L. A. Taylor, who is described as 35 years of age, 5 ft. 9 in. tall, weighs 190 lbs., smooth shaven, blue eyes, chestnut brown hair, florid complexion. Taylor has defrauded a number of persons with worthless checks. His occupation is given as salesman.

The following information comes to us from a Philadelphia, Pa. bank (M).

"About two weeks ago one of our customers received a visit from a man claiming to be a Mr. Le Moyne of Moraeville, Pa. He purchased some goods and wished to secure the cash on a \$300.00 Cashier's Check, purporting to be issued by a New Orleans, La. bank. I suggested that we confirm the issuing of this Cashier's Check by wire, which was objected to somewhat indignantly by Mr. Le Moyne. The final results were, we did not cash the draft. It has since developed that this man is an impostor, and that this check

was never issued by the New Orleans bank. Le Moynes is described as being of heavy build, sandy complexion, smooth shaven and appears to be from 30 to 35 years of age."

One Frank Blik is wanted in Portland, Ore., where he was formerly engaged in the bakery business. Blik has left for parts unknown following the discovery of a forged check on which he secured the money. His description is given as 22-23 years of age, 5 ft. 10 in. tall, weighs 170-180 lbs., light complexion, blue eyes, broad shoulders, well built, light hair, Polish nationality, broad, flat nose, rather protruding ears. When last seen he wore a dark suit, with invisible stripes running up and down, black derby hat, tan shoes.

A warrant is held by the police of Akron, Ohio, for Mike Remick, a former saloon keeper of that city, who has disappeared from Akron following the discovery of a check on which the amount had been raised.

The following information comes to us from a Charles, North Dakota, bank:

"A young man who gave his name as Joe Matasek, called on us with a check to be cashed. The check purported to be issued by the Board of Park Commissioners of Minneapolis and was drawn on the Minneapolis bank. It was dated July 6, 1911. When Matasek presented this check the clerk who waited on him asked for an identification, and he replied there was no one in town who could identify him, but that he was working on a threshing outfit for a man with whom our officials were acquainted. Matasek further stated that he had just gotten a letter with the check enclosed from the Post Office, and he showed the clerk the letter. The clerk asked him how the check came to be dated July, and Matasek said that he had worked for the Park Commissioners, and that when he left Minneapolis he did not have an opportunity to call for the check, but since coming here had written for it. It now appears that the check was delivered into the hands of the wrong party, and it would appear that the person for whom we cashed the check was none other than Felix Adams, who is a German about 21 years of age, 5 ft. 7-8 in. tall, smooth shaven, dark hair, dark eyes. That party has since left for parts unknown."

On November 9, a man called at a Corcoran, Cal. bank, introducing himself as E. W. Halliday and said that he was looking for a chicken ranch. A brother of the President of the bank finally sold him a 20 acre ranch for \$2,200.00 and the contract was drawn up at the bank. Mr. Halliday then gave a check for \$700.00 drawn on a Los Angeles, Cal. bank, to apply as a first payment, the balance to be paid in one year. Mr. Halliday then deposited a check for \$1,000.00 for collection, drawn on a Bisbee, Ariz. bank. Halliday made several inquiries as to the length of time it would take to get an answer from Bisbee. Later in the day he came into the bank and said that his auto was in the repair shop at Visalia, Cal., and he did not think that he would have money enough to get it out, so he asked the bank President if he would cash a check for him. His request was promptly complied with. It has since developed that Halliday is an impostor, and that he had no account at either the Bisbee, Ariz., or Los Angeles, Cal. banks, on which his checks were drawn. He is described as 50 years of age, 5 ft 10 in. tall, weighs 140 lbs., grayish hair, gray moustache, when last seen he was dressed in a dark gray suit, light crushed hat, flat on top.

One Benjamin Cox is wanted in Atlanta, Ga., where he until recently conducted what was known as the Cox Grocery Company. Cox recently closed up his place of business and left for parts unknown, following a forged check transaction involving several hundred dollars. Cox is described as 40 years of age, 5 ft. 8 in. tall, weighs 160 lbs., light hair, light eyes, heavy brown moustache.

About the middle of the past month a bold attempt was made to defraud a Minneapolis, Minn. bank, in the following manner.

Early in the morning just before the bank had opened for regular business a man presented himself at the bank and claiming to be Henry B. Gustafson purchased a Travelers Cheque for \$10.00. Along about 2:30 during the rush hours this man was in line and presented a check for several hundred dollars drawn on a bank in a distant city which purported to be signed by Edgar Chapman. The Paying Teller refused to cash the check, on account of insufficient identification. Gustafson asked the teller whether he would cash the check if the Vice-President would O. K. same. The teller replied he would. Gustafson then left the window ostensibly to go to the office of the Vice-President, and he later returned with the check bearing what purported to be the Vice-President's O. K. The paying teller was not satisfied with the genuineness of the Vice-President's signature and upon inquiring ascertained that the check had never been called to that official's attention. Gustafson had in the meantime, become suspicious and left the bank.

It later developed that the Vice-President's name was signed to the Traveler's Cheque, and that Gustafson had used this as a guide in forging the Vice-President's signature to the check which he attempted to have the teller cash for him. Members are warned to be on the lookout for this dangerous swindler, whose description is given as 35 years of age, 5 ft. 9-10 in. tall, light complexion, smooth shaven, is believed to be a Scandinavian. He was dressed in a black overcoat and a gray soft hat.

H. B. Gustafson
Minneapolis

On November 10th, 1911, it was reported by a Tescott, Kans. bank (M), that the bank had been defrauded through having advanced money on mortgaged cattle, the cattle having been disposed of without the mortgage being redeemed. Our detective agents, the William J. Burns National Detective Agency, took up the case and on December 6th, 1911, they brought about the arrest in Minneapolis, Kansas, of H. J. Taylor and on the same date caused the arrest of W. F. Richards at Salina, Kansas. Both men have since been returned to Tescott, Kansas, to answer to charges in connection with the case.

On December 20th, 1911, two New York banks (Ms) reported that they had been defrauded through paying out money against the Savings bank books of a depositor. An investigation of the case was undertaken by our detective agents, the William J. Burns National Detective Agency, which resulted in the disclosure that one Isaac Gittler had stolen the books in question, presented them at the bank and obtained the money. The Burns Agency caused the arrest of Gittler in New York City on the evening of December 20th, and he is now lodged in the Tombs awaiting trial. His description is 41 years of age, 5 ft. 6 in. tall, 135 lbs., light complexion, blue eyes, light hair, smooth shaven.

Page 100, second column, of the August, 1911, Journal, contains an article regarding M. E. Starling, who defrauded a Quitman, Ga. bank (M). Starling was recently brought to trial and on that occasion received a sentence of 8 years in the Georgia State Penitentiary.

A photograph of one Phil Gallick appears on page 381 of the December, 1911, Journal, and an article giving an account of his arrest appears on page 314 (1st column) of the November, 1911, Journal. Gal-

lick has since been sentenced in San Francisco, Cal., to serve 18 months in San Quentin (Cal.) State Penitentiary for defrauding a San Francisco bank (M).

On page 378 (first column) of the December, 1911, Journal, is published an account of the arrest of George A. Kemmerer, who passed a forged check on a Nazareth, Pa. bank (M). Kemmerer has been brought to trial and was given a sentence of 5 years in the Northampton (Pa.) County Jail.

Salvatore Guarino's arrest was published on page 377 (second column) of the December, 1911, Journal, in connection with a forgery perpetrated on a Clairton, Pa., bank (M). Because of an uncertainty as to the positive identification of Guarino, Guarino has been released from custody.

Page 377 (first column) of the December, 1911, Journal, contains an account of the arrest of R. F. Dunn, J. F. Dunn and A. P. Snader, all in connection with a fraud perpetrated upon a McKees Rocks, (Pa.) bank (M). When brought to trial last month R. F. Dunn received 6 months in the Allegheny County workhouse, while J. F. Dunn and A. P. Snader each received three months in the Allegheny County Workhouse.



THOMAS C. McDONALD.

There is published on page 226 (first column) of the October, 1911, Journal, an article concerning one Thomas C. McDonald, who was arrested for defrauding a Hoquiam, Washington, Bank (M). McDonald, whose photograph is published herewith, is described as 51 years of age; 5 ft. 8 in. tall; dark brown hair, tinged with gray; blue eyes; ruddy complexion; Scotch nationality; several teeth filled with gold. On being brought to trial recently McDonald was given an indeterminate sentence of 6 months to 20 years in the Walla Walla (Wash.) State Penitentiary.

On page 379 (second column) of the December, 1911, Journal, there appears an account of the arrest of Powell Graboski and Wilcenty Olenwecz, who were arrested for an attempt to defraud a Caldwell, N. J. bank (M). A faulty drawing up of the papers in this case has since resulted in the release of these men and the prosecution has necessarily been temporarily abandoned.

There appears on page 740 (first column) of the June, 1911, Journal, an account of the arrest of Spiro Alexsi and Andrio Stelcheff, alias Endrie Stoi che, both of whom defrauded a Ft. Wayne, Ind., bank (M). These men have since been brought to trial, pleaded guilty and have been given indeterminate sentences of one to fourteen years in the Indiana State Penitentiary.



HENRY WOLFF.

The above is the photograph of Henry Wolff, 56 years of age; 5 ft. 6 in. tall; weighing 135 lbs.; medium build; gray hair; blue eyes; light complexion; gray moustache; German nationality; occupation, cook. Wolff was arrested by the local police of Arlington, N. J., following an attempt to defraud a bank of that city. The case was brought to the attention of our detective agents, the William J. Burns National Detective Agency, and they soon succeeded in determining that Wolff had operated quite extensively throughout New York and New Jersey, where a number of banks had suffered through cashing his forged checks in amounts ranging from twenty to fifty dollars. Wolff is now lodged in jail in Kearney, N. J., awaiting trial, in default of \$2,500 bail.



DON GRIFFIN.

Page 380 (first column) of December, 1911, Journal, contains an article concerning one Don Griffin, alias Dow Schoonover, who is wanted in Parkersburg, W. Va., on charge of forgery. We have since received a photograph of this party, which is published herewith. Griffin has previously served time in the Moundsville (W. Va.), Penitentiary.



JULIUS MOE.

On December 6, 1911, it was reported by a Grand Forks, North Dakota bank (M) that on December 1, 1911, a forged check had been cashed at the bank. Our Detective Agents, The William J. Burns National Detective Agency determined that the guilty party was Julius Moe, alias Oskar Hoover, 23 years of age, 5 ft. 8 in. tall, weighs 136 lbs., slim build, blue eyes, light brown hair, smooth shaven. In the course of the investigation it developed that Moe had departed for New York and on December 25, 1911, the Burns Agency located him in that city and caused his immediate arrest. Moe is now lodged in jail in New York pending extraditing to Grand Forks. His photograph is published herewith.



J. H. HARRIGAN.

The above is a photograph of J. H. Harrigan, concerning whom the following article is reproduced from a Los Angeles newspaper:

Wanted in Many Places.

Sleek Hotel Forger Caught 'After' a Chase.

One of the cleverest forgers in the United States who registered under the name of Jack Harrigan at the Angelus on Sunday, was apprehended on Monday evening, and after a wild flight was arrested on another charge, sufficient to hold him for the time being.

Harrigan, whose aliases have been so many, that his real name has been obscured in doubt has operated in nearly every State in the Union, has broken parole in Minnesota, and has a record for elusiveness and many escapes.

Just a week ago he jumped the St. Francis Hotel, San Francisco, when he realized that he was followed. He left most of his baggage, not to mention a bill against him for more than \$80.

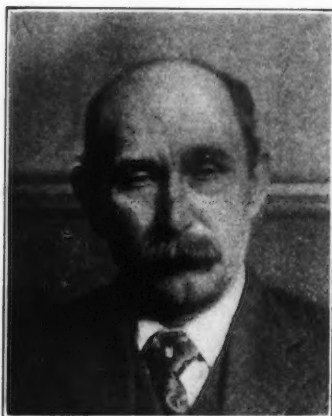
Coming to Los Angeles he at once deposited \$80 in a local bank. This he drew out shortly afterward, and when captured he had altered his bank book to read \$5,806. The bank reported that the San Francisco bank had just made inquiry regarding the cashing of paper to the extent of \$4,000 for the man.

Just what his scheme was Harrigan refused to state, but because of his apprehension it fell through. He was standing in the lobby of the hotel when approached by a plain clothes officer, who confronted him with warrants and a description which tallied exactly.

Less than a month ago he had been in Los Angeles, and had stayed at the Lankershim. There he cashed a bogus check and a warrant was issued for his arrest. E. G. Washington, chief clerk, was called to identify the man Monday night. Arriving, he started to interrogate him and had conclusively established his identity in his own mind when Harrigan broke from the officers and dashed into the street.

He made for Broadway and was chased by an ever increasing crowd down to Second, where he was overtaken and marched to the station. There he was booked on a charge of carrying obscene literature, vulgar pictures and manuscript, having been found in his possession. This was done to cover his real identity until it had been positively established.

In his travels he had manufactured three check books, printed under the name of L. Heller & Son and P. L. Roger Company on New York banks and Goodrich Brothers & Company on a Philadelphia bank. All of the names are fictitious, such companies never having existed.



C. J. BLAIR.

We publish herewith photograph of C. J. Blair. He was arrested in Wichita, Kansas, on December 18th, 1911, for fraudulently securing signatures of a depositor in a Newton, Kansas, bank, and another depositor in a Garber, Okla., bank. These depositors had innocently written their names in a book and their signatures later appeared on checks drawn against their accounts. Blair is now lodged in jail awaiting trial. He is 55 years of age; 5 ft. 6 in. tall; weighs 170-175 lbs.; brown sandy moustache; stout build; light brown eyes; dark hair; slightly tinged with gray; somewhat bald.

The checks he issued as their representative in various capacities were signed as George Mackley, cashed at the Congress hotel in Chicago, George Meaney, cashed at the Rome hotel in Omaha, Harry Mann, J. Sullivan and numerous other aliases which were discarded as frequently seemed necessary.

In addition to the wires from all parts of the country asking that he be held for trial on various charges, one came from Minneapolis stating that he had broken a two year parole there.



JOHN M. JEFFERSON.

We publish herewith photographs of John M. Jefferson and Frank Jefferson, alias Charles Murphy. These photographs were received from a Washington D. C. bank (M) accompanied by the following communication:

"We beg to report an unsuccessful attempt of swindling this institution by means of false impersonation by one John M. Jefferson, whose photograph with descriptive information is herewith enclosed, also an accomplice, one Frank Jefferson, otherwise known as Charles Murphy, whose photograph and description is also enclosed, and who were arrested on December 16, 1911.

"The facts in this case are briefly, that Jefferson applied to a local bank on or about Tuesday, December 12th, 1911, for a real estate loan on a house owned by Mr. Frank G. Carpenter, a well known newspaper writer. This bank through its president, referred the applicant to Mr. Emmanuel Speich, Sr., a real estate broker, having an office in the Bond Building. He presented to said Speich what purported to be the business card of Mr. Carpenter, with his name "Frank G. Carpenter" and the words "Correspondent of The Washington Post." Mr. Speich had not known Mr. Carpenter except by his reputation as a writer, and assumed that he was the person he represented himself to be, coming as he did from the above mentioned bank, of which Mr. Speich is a director, and in what was the usual channel of business.

"The impostor further deceived Mr. Speich by his fluent discourse and readiness to respond to questions asked him by the broker. He also delivered to Mr. Speich the keys to the property and urged him to visit the house to make an inspection. The broker, acting in perfect good faith, made a request for a loan and was told that we were willing to make the loan to Mr. Carpenter, and orders were placed with the local Title Insurance Co. to prepare the necessary examination of title and deed of trust.

"Up to this time the impostor had not presented himself at either the Real Estate Title Insurance Co., or at our office where the loan was to be made.

"On Friday, December 15, 1911, in my absence from the city for the day the impostor called in order to close the transaction, as he had learned from the title company that the mortgage was in the bank ready for execution. Some of the employees of our bank know the real Mr. Frank G. Carpenter and suggested to the officers in charge of making the settlement, that an investigation be made, and this resulted in the visit of the real Mr. Carpenter to the



FRANK JEFFERSON.

bank, where of course he denounced the impostor and demanded that he accompany him to the office of the Washington Post that he might verify the claim to his name. At the office of the Post, Jefferson attempted to make his escape, but had been followed by one of the junior officers of the bank, and was so prevented. His arrest followed.

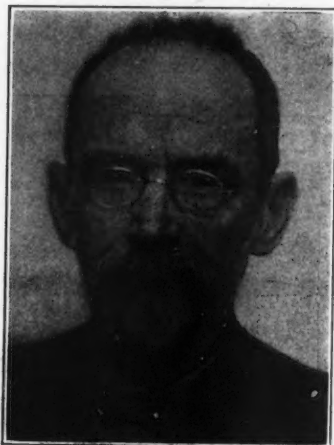
"Before leaving the bank, where he was detained by various pretenses—principally that of summoning the broker, Mr. Speich, to identify him—he executed the deed of trust and notes to this bank for \$3,000, and left the papers in our custody, but when questioned as to why his wife did not accompany him to execute the papers, he stated that she had died some four months ago, and for this reason he was breaking up housekeeping.

"The matter was brought up for hearing in our criminal court Dec. 20, 1911.

"The accomplice who accompanied Jefferson to the bank on Friday last, took no part in the transaction as far as anyone knows, but seemed to be in attendance, or waiting, for the completion of the transaction.

"The work in our opinion must have been planned by someone having an intimate knowledge of the real estate and title conditions of the city of Washington, as the matter was nearly executed, the weakness being only that the impostor bears no resemblance to Mr. Carpenter."

In September, 1909, one J. W. Hill, Jr., defrauded a Carrington, N. D., bank (M). It was determined by our detective agents on December 15th, 1911, that Hill was lodged in jail at San Francisco, California, on another charge. The matter was immediately taken up with the Carrington, N. D., authorities, and there is every assurance that Hill will be returned to Carrington for trial, following the disposition of his case in San Francisco.



LUTHER W. SHEAR.

The photograph of Luther W. Shear, alias J. C. Vigneaux, is published herewith. Shear was sentenced from Muskegon County, Michigan, on October 1st, 1902, for a term of 12 years for the crime of forgery. He was released upon parole on August 25th, 1910, and received his final discharge August 25th, 1911. He has also served one term in Auburn, N. Y. He is now wanted at Hastings, Nebr., where he recently secured several hundred dollars by means of a forged check. Shear's description is 62 years of age; weighs about 135 lbs.; 5 ft. 7½ in. tall; medium chestnut hair, slightly bald; slender build, slate blue eyes; dark complexion; his occupation is that of life insurance agent.

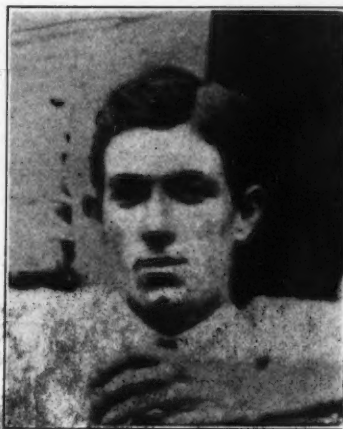
The inability to secure a conviction in the case against B. C. Trigg, whose arrest was reported on page 225 (second column) of the October, 1911, Journal, has resulted in his release on charges of an attempt to defraud a Greenville (Miss.) bank (M).

It was reported by a bank member in New York City on December 3, 1911, that a person giving the name of Wellington Wolcott had attempted to defraud the bank by means of forged checks. An investigation of the case was undertaken by our detective agents, the William J. Burns National Detective Agency, which resulted in the arrest of the guilty party, whose correct name proved to be Willard W. Hotchkiss, in New York City, on December 8, 1911. Hotchkiss came up for sentence on December 29, and was then sentenced to serve two years and six months to four years and six months in Sing Sing Prison.

In the December, 1911, Journal, on page 378, a photograph of E. Klein, alias James Stewart, was published, also his handwriting, and information that he was wanted for defrauding two Scranton, Pa., banks (Ms) by means of notes bearing forged endorsements.

This man appeared at Nashville, Tenn., promoting a land deal and called at the First National Bank of that city to secure credit. A teller of the bank recognized Klein from having seen his photograph in the December Journal as being wanted for defrauding two Scranton, Pa., banks, and caused his arrest. Klein has been held on the charge of obtaining board under false pretenses. The Scranton authorities have been communicated with and arrangements are being made to return Klein to that city for trial.

On page 436 of this issue, an article appears relative to this man together with clipping from the New York World of Dec. 30th, 1911.



CHESTER L. ERRICO.

Above we publish the photograph of one Chester L. Errico, alias Chester Curtis, alias Chester Hammond. This party on December 28, 1911, defrauded a bank member of this city out of a large sum by presenting a cleverly forged check purporting to be signed by his late employers, depositors in the bank in question. Errico is 30 years old, 5 ft. 10 in. in height, weighs about 150 lbs.; dark hair and eyes; smooth shaven; thin, regular, sallow features; rather slender build; walks with feet slightly bent in. He is of Italian parentage, but educated in this country, and is a bookkeeper by profession. Of late years he has been addicted to the opium habit, and is an inveterate race-track gambler. He is married, but latterly has been almost constantly in the company of a young woman variously known as Evelyn Wesley, Evelyn Curtis and Mrs. C. Hammond, and with whom he has lived in this city; Pottsville, Pa.; Reading, Pa., and Harrisburg, Pa. If Errico should attempt to open an account with any of our members it is suggested by the Protective Department that he be allowed to open an account, and at once wire the Protective Department or the nearest office of our Detective Agents, the William J. Burns National Detective Agency.

A few weeks ago a man giving the name of H. E. Graham called at a Pittsburgh, Pa., bank and stated that he desired to open an account with a check drawn on a New York bank. He claimed not to have any check blanks with him and the Asst. Cashier wrote out a check at his (Graham's) dictation for \$6,500.00 on a blank check, which he signed "H. E. Graham." He claimed to be connected with the Interstate Commerce Commission, and stated his office was in the Federal Building. Graham claimed that he had just arrived in Pittsburgh after an absence of a number of years. After depositing the check Graham asked to be given a pass book and a check book, but the request was refused, the Asst. Cashier telling him that these would be issued as soon as returns had been received on the \$6,500.00 check. It subsequently developed that the check for \$6,500.00 was worthless. Graham, of course, never reappeared at the bank. His description is given as 38 years of age, 5 ft. 10 in. tall, weighs 175 lbs., well built, smooth shaven. Was dressed in a business suit, presented a good appearance and was a plausible talker.

F. P. Wilson a young man formerly employed in the office of a Los Angeles Attorney-at-Law, has recently left Los Angeles following the discovery of a number of forged checks, bearing his employer's name. A warrant is now held for Wilson's arrest in that city.

A few weeks ago a stranger entered a Savannah, Ga., bank and presented a check, asking that it be cashed, stating that one of the bank's depositors had endorsed it and told him to go over to the bank where it would be cashed for him. The cashier was not satisfied with the depositor's endorsement, and he therefore told the presenter of the check to wait a minute. The Cashier then stepped to the telephone, called up the depositor and inquired if he had endorsed the check. To this the Cashier received a negative reply. In the meantime, however, the party presenting the check had fled from the bank. He is described as 26 years of age, 5 ft. 10 in. tall, weighs 165 lbs., heavy build, smooth shaven, light hair, light eyes.

One A. West, is wanted in Paducah, Ky., on a charge of fraudulently obtaining funds on a check purporting to have been drawn by the Bestey Waukegan Brewery Co. of Waukegan, Ill.

A bank (M) in Lake Providence, La., reported on December 18, 1911, that they had been defrauded by cashing a forged check drawn against the account of one of its depositors. Our detective agents, the William J. Burns National Detective Agency, who undertook an investigation of this case, soon traced the crime to one, Vernon F. Shivers, whose arrest they succeeded in causing in Forest, La., on December 19. Shivers, who has since been returned to Lake Providence for trial, is 23 years of age, 5 ft. 10 in. tall, weighs about 135 pounds, is of slender build.

One C. F. Johnson, has made his appearance in Boston, Mass., where worthless checks are being circulated by him. This swindler is believed to be the same person who has recently operated in that section under numerous aliases, and who is described as about 23 years of age, 5 ft. 6 in. tall, medium build, smooth shaven, full round face. A specimen of his handwriting is reproduced below.

Charles F. Smith
Thirty-Two
C. F. Johnson

Geo. E. Taylor is wanted in St. Louis, Mo., on a charge of obtaining money by means of a forged check. Taylor was formerly a clerk in the employ of a Railroad Co. He is 30 years of age, 5 ft. 10 in. tall, weighs about 150 to 160 pounds, light complexion, light hair, smooth shaven, round full face, blue eyes. We reproduce below specimen of his handwriting.

Geo E Taylor
John A Holme
Nov 28 1143

Ollis B. Ferguson is wanted in Willow Springs, Mo., in connection with worthless checks circulated by him in that section. Ferguson is 24 years of age, medium build, weighs 145 pounds, smooth shaven.

One J. M. Sampson, who represents himself as being in the employ of a large Helena, Mont., Mercantile concern, has made his appearance in the middle west, where his fraudulent checks have been cashed by merchants and hotel keepers. Sampson is said to be about 30 years of age, 6 ft. tall, weighs 160 lbs., slender build, smooth shaven, careless appearance. When last seen he wore a soft dark felt hat, and was attired in high heeled boots.

On December 14, 1911, it was reported by a bank (M) in East Orange, N. J., that they had caused the arrest for forgery of Richard Colston, (a negro). Our Detective Agents, the William J. Burns National Detective Agency, interested themselves in the case, with a view of doing everything possible to ensure the conviction of Colston, and there is every assurance that this criminal will be convicted.

A Cleveland, Ohio, bank (M) reported on December 1, 1911, that one Frank P. Hall had defrauded the institution with a forged check. Our Detective Agents, the William J. Burns National Detective Agency, immediately interested themselves in the case and on December 6, 1911, the Burns Agency ascertained that Hall was under arrest in Toledo, Ohio, in connection with a forged check passed by him in that city. Arrangements are now under way to bring about Hall's extradition, to Cleveland, after the Toledo authorities have disposed of the case against him there.

A report comes from Knoxville, Tenn., that one T. H. Ulmer, fraudulently representing himself as an official of the Knoxville Foundry and Machine Co., has recently appeared in the East with worthless checks purporting to be issued by the above mentioned company.

One F. E. Waters, is wanted in Edgerton, Wis. where a number of bogus checks have been cashed for him. Waters, who was formerly district manager for the Des Moines Life Insurance Co., is about 40 to 45 years of age, 5 ft. 10 in. tall, weighs 200 lbs., smooth shaven, brown hair. His left arm is broken. Waters is usually very well dressed, and makes a good appearance.

R. S. Elliot, alias R. S. Ellicot, has made his appearance in Wisconsin, where worthless checks have been cashed for him. He is 35 years of age, 6 ft. tall, weighs 180 lbs., smooth shaven, brown eyes, dark hair, tinged with gray, slightly bald. Elliot claims to be a railroad man.

Louis A. Schmelman, alias A. L. Stevens, is wanted in Chicago, Ill., where he has issued a number of forged checks against the account of a large mercantile concern. This party is 32 to 35 years of age, 6 ft. tall, weighs 175 lbs. Light blonde hair, thin face, prominent features, nervous manner, talks rapidly, wears glasses.

A person who has employed the name of Manual Rivera, is wanted in Los Angeles, Cal., where several forged checks have been cashed for him. He is said to be a Mexican, about 21 years of age.

S. N. Beebe is wanted in New York, Boston and other cities, where he has succeeded in cashing a number of worthless checks, purporting to have been issued by the Columbus Shield Co., of Columbus, Ohio. Beebe is 35 years of age, 6 ft. tall, weighs 260 lbs., light complexion, light hair, light bluish eyes.

On December 2, 1911, it was reported by a New Orleans bank (M) that 4 forged checks had been honored against the account of a depositor. Our Detective Agents, the William J. Burns National Detective Agency, undertook to locate the guilty party, and on December 3, the Burns Agency caused the arrest in New Orleans of A. E. Brandon, a clerk employed by the depositor in question. Brandon is being held for trial in New Orleans.

The authorities of Larned, Kans., hold a warrant for the arrest of A. B. Bannor or Bonner who has recently left for parts unknown, after disposing of a large quantity of mortgaged stock. Bannor is about 45 years of age, 6 ft. tall, weighs 170 lbs., medium brown hair, blue eyes, smooth shaven.

The Police of Kansas City, Kansas, hold a warrant for the arrest of Jesse H. Moore, in connection with a worthless check cashed for Moore, which purported to have been issued by United States Health & Accident Ins. Co. Moore is 30 years of age, 5 ft. 10 in. tall, weighs 165 lbs., smooth shaven, dark complexion, sandy hair, blue eyes, good dresser.

One J. W. Brown, a former resident of Sedan, Kansas, is wanted in that city in connection with a worthless check, cashed for him. He is 30 to 35 years of age, 5 ft. 10 in. tall, medium build, smooth shaven, fair complexion, brown hair. He has the appearance of a farmer.

One A. G. Stevens, fraudulently representing himself, as a salesman for the Chicago Hammock Co., recently passed a worthless check in Concord, Mich. A warrant is now held for his arrest. Stevens is 45 years of age, medium build, dark hair, dark eyes, dark moustache.

Worthless checks drawn on a Detroit, Mich., bank have recently been cashed in a number of Eastern cities for a person who is described as 40 to 50 years of age, weighs 160 to 165 lbs. This crook has employed the names of Lee Hillman, Leon Hittman, Leo L. Schweitzer, Leon Meister, Leo Weiner, Leo Weisner.

One Albert Mass, is wanted in Buchanan, Mich., on a forgery charge. He is 26 years of age, 5 ft. 11 in. tall, weighs 170 pounds, florid complexion, high cheek bones, smooth shaven.

On December 4, 1911, a report was received from a bank (M) in Owosso, Mich., that one, John W. Norton, had defrauded the bank with a forged check. Our Detective Agents, the William J. Burns National Detective Agency, undertook an immediate investigation of the case, but in the meantime the Police of Cleveland, Ohio, had learned of Norton's presence in the latter city, and caused his arrest there on December 5. Norton has since been returned to Owosso for trial.

One Mary Carr, a domestic, is wanted in Boston, Mass., where it is said she forged her employer's name to a check drawn on a local bank. This woman is 26 years of age, 5 ft. 6 in. tall, robust build, comparatively good looking.

In the early part of the month, a Lewistown, Mont. bank (M) advised that one, R. D. Simpson, had defrauded the bank by means of a forged check. An article concerning Simpson's operations appeared on page 381 (first column) of the December, 1911 Journal. Our Detective Agents, the William J. Burns National Detective Agency, have been actively at work in effort to apprehend Simpson, and they found that Simpson has also been operating under the names of Slocum and Sloan. The Burns Agency representative, on December 2, 1911, located Simpson at Onawa, Iowa, where he had just been picked up on a charge of beating a hotel bill. Simpson is now being held in custody in Onawa.

One Geo. C. Lilley is wanted in St. Joseph, Mo., where checks have been cashed for him purporting to have been issued by the Crown Cider Co. of St. Louis, Mo.

The Kansas City, Mo., authorities hold a warrant for the arrest of J. F. Berry, in connection with worth-

less checks cashed in that city. Berry is 5 ft. 11 in. tall, weighs 165 lbs., dark brown hair, dark complexion, square shoulders, blue gray eyes.

One Charles C. Clark and Harry Rodgers, are wanted in Waverly, New York, on a charge of issuing bogus checks. Clark is 35 years of age, 5 ft. 11 in. tall, 180 lbs., dark complexion, slightly cross-eyed. Rodgers is 28 years of age, 5 ft. 6 in. tall, weighs 130 pounds.

One Wm. M. Herndon, is circulating worthless checks drawn on a Philadelphia bank, where there are no funds to his credit.

One A. K. Manning, is wanted in Easton, Pa., on a charge of forgery. His occupation is that of illustrator, designer and artist. He is 25 years of age, 5 ft. 8 in. tall, and weighs 155 pounds, smooth shaven, light complexion, light hair, he is a smooth talker. When last seen Manning wore a light gray suit, black derby and new black overcoat, with velvet collar.

A specimen of Manning's handwriting is reproduced below:

Vernon Bauer Jr.
Fousty and Co.
H. E. Ricksecker

This department is in receipt of information from a bank member at Rocky River, Ohio, to the effect that a man giving the name of A. C. Andrews opened up a savings account by depositing a draft drawn by a Chicago bank member on a New York bank member for \$7,000. The draft had been raised from \$7.00 to \$7,000.

Andrews is described as follows: Age, 30; height, 5 ft. 9 or 10 inches; weight, 145 pounds; complexion, medium; smooth shaven; eyes, dark; hair, dark.

Remarks: Wore black derby hat, black overcoat, and high turndown collar.

One W. A. Halfaker, representing himself as a traveling salesman, has appeared in the south with worthless checks purporting to be issued by the Carter De Haven Co. Halfaker is 28 to 30 years of age, 6 ft. tall, 160 pounds, slender build, fair complexion, smooth shaven, well dressed.

On December 9, 1911, a bank (M) in Parkersburg, W. Va., submitted information to the effect that it had cashed 12 forged checks against a depositor's account. Our Detective Agents, the William J. Burns National Detective Agency, who undertook to locate the guilty party, traced the forgeries to one, Ed. L. Deem, and caused his arrest in Parkersburg, on December 13. Deem is 35 years of age, 5 ft. 6 in. tall, weighs 150 lbs., medium build, gray eyes, black hair, ruddy complexion, smooth shaven. His occupation is that of a laborer. Deem awaits trial in Parkersburg.

Frank Murphy, a clerk is wanted in Ellensburg, Wash., on a charge of forgery. He is 28 years of age, 5 ft. 3½ in. tall, medium build, reddish brown hair, smooth shaven, ruddy complexion, blue eyes, full round face.

A person representing himself as John Smith, and claiming to be a seaman, is wanted in Conneaut, Ohio, where he succeeded in fraudulently obtaining funds on a forged check, purporting to have been issued by the Pittsburgh Steamship Co. Smith is described as 21 to 22 years of age, 5 ft. 7 or 8 in. tall, weighs 140 to 150 lbs. Light complexion, smooth shaven. When last seen he wore a steel gray overcoat and cap.

On December 12, 1911, a bank (M) in Cleveland, Ohio, reported to our Detective Agents, the William J. Burns National Detective Agency, that it had suffered a loss through cashing a forged check. The

Burns Agency immediately undertook an investigation of the case, and on Dec. 14 caused the arrest in Cleveland, of J. A. Johnson, engaged in the Real Estate business in that city. Johnson now awaits trial in Cleveland for this forgery.

A warrant is held by the Police of Los Angeles, California, for the arrest of Tom Hall (negro) who forged three checks and after securing the cash on them, left for parts unknown. Hall is about 56 years of age, 6 ft. tall, weighs 210 pounds, has dark kinky hair, mixed with gray. His occupation has been that of a porter and cook.

STATISTICS OF THE WORK OF THE PROTECTIVE DEPARTMENT.

AS REPORTED TO THE STANDING PROTECTIVE COMMITTEE.

From September 1, 1911, to December 31, 1911.

New York, January 1, 1912.

Persons arrested, convicted, sentenced, awaiting trial, etc.

	Awaiting Trial Sept. 1, 1911.	Arrests From Sept. 1, 1911, to Nov. 30, 1911.	Arrests in December, 1911.	Total.	Convicted.	Released.	Escaped or Fugitives.	Suicide or Died.	Awaiting Trial.
Forgers, etc.	69	57	17	143	45	19	1	1	77
Burglars.	9	3	..	12	6	1	5
Hold Up Robbers ...	1	4	..	5	2	3
	79	64	17	160	53	20	1	1	85

ALLEGED FORGERS, ETC.

Dec. 5, John W. Norton, arrested in Cleveland, Ohio; defrauded Owosso, Mich., bank (M); returned to Owosso for trial.

Dec. 3, A. E. Brandon, arrested in New Orleans, La.; defrauded New Orleans bank (M). Awaits trial in New Orleans.

Dec. 6, Frank P. Hall, arrested in Toledo, Ohio; on forged check charge; also wanted in Cleveland, O., for victimizing bank (M); awaits trial in Toledo.

Dec. 14, Richard Colston, arrested in East Orange, N. J., for passing forged check on bank (M); awaits trial in East Orange, N. J.

Dec. 19, Vernon F. Shivers, arrested in Forest, La.; passed forged check on Lake Providence, La., bank (M); returned to Lake Providence for trial.

Dec. 25, Julius Moe, arrested in New York City; swindled Grand Forks, N. D., bank (M); with forged check; awaits extradition to Grand Forks.

Dec. 2, R. D. Simpson, arrested in Onawa, Iowa; is also wanted in Lewiston, Montana, for passing forged check on bank (M); awaits trial in Onawa.

Dec. 14, J. A. Johnson, arrested in Cleveland, O.; defrauded Cleveland bank (M) with forged check; awaits trial in Cleveland.

Dec. 13, Ed. L. Deem, arrested in Parkersburg, W.

Va.; swindled local bank (M) with forged checks; awaits trial in Parkersburg.

Dec. 15, J. W. Hill, Jr., arrested in San Francisco, Cal., is also wanted in Carrington, N. D., for defrauding bank (M) with bogus draft; awaits trial in San Francisco.

Dec. 20, Isaac Gittler, arrested in New York City; defrauded two banks (Ms) by forgeries; awaits trial in New York City.

Dec. 11, Henry Wolff, arrested in Arlington, N. J.; following attempt to perpetrate forgery; also defrauded several New York and New Jersey banks (Ms) by forgeries; awaits trial at Kearny, N. J.

Dec. 6, H. J. Taylor, arrested at Minneapolis, Kansas, and W. F. Richards, arrested at Salina, Kansas, both for defrauding Tescott, Kansas, bank (M); both returned to Tescott for trial.

Dec. 8, Willard W. Hotchkiss arrested in New York City; following attempt to defraud bank (M); brought to trial: given two years and six months to four years and six months in Sing Sing Prison.

Dec. 4, James F. Long, arrested in New York City; for defrauding Chicago, Ill, bank (M); returned to Chicago for trial; received indeterminate sentence of one to fourteen years in the Illinois State Reformatory.

Powell Graboski and Wilcenty Olenwecz, both

released from custody in connection with attempt to defraud Caldwell, N. J., bank (M); faulty drawing up of papers necessitated temporary abandonment of prosecution; arrests reported in Dec. 1911 Journal.

Spiro Alexsi and Andria Steicheff, both sentenced to one to fourteen years in Indiana State Penitentiary; defrauded Fort Wayne, Ind., bank (M); arrests reported in June, 1911 Journal.

B. C. Trigg, released from custody, because of inability to secure conviction, in connection with attempt to defraud Greenville, Miss., bank (M); arrest reported in Oct. 1911 Journal.

Phil Gallick, given eighteen months in San Quentin, Cal., State Penitentiary for defrauding San Francisco bank (M); arrest reported in Nov. 1911 Journal.

Geo. A. Kemmerer, given five years in Northampton, Pa., County Jail for forgery committed on Nazareth, Pa., bank (M); arrest reported in Dec. 1911 Journal.

Salvatore Guarino released from custody because of uncertainty in identification in connection with forgery perpetrated on Clairton, Pa., bank (M); arrest reported in Dec. 1911 Journal.

R. F. Dunn, given six months in Allegheny County (Pa.) Work House; J. F. Dunn and A. P. Snader each given three months in Allegheny County (Pa.) Work House; following fraud perpetrated on McKee's Rocks bank (M); arrests reported in Dec. 1911 Journal.

Thomas C. McDonald, given six months to twenty years in Walla Walla, Washington, State Penitentiary; defrauded Hoquiam, Washington, bank (M); arrest reported in Oct., 1911 Journal.

M. E. Starling, given eight years in Georgia State Penitentiary; arrest reported in August, 1911 Journal.

Dec. 29, E. Klein, arrested in Nashville, Tenn., defrauded two Scranton, Pa., banks (Ms) with forged endorsements on promissory notes, awaits extradition to Scranton.

AWAITING TRIAL JANUARY 1, 1912.

ALLEGED FORGERS, ETC.

H. S. Kirkpatrick West Point, Ga.
Henry West Yuma, Ariz.
Ben Hockaday Des Moines, Iowa.
Chas. L. Johnson Grand Rapids, Mich.
C. C. Bladdell Perry, Okla.
Matt Conner Hinton, W. Va.
James Wilson Brooklyn, N. Y.
Lee Hepler Hickory, Pa.
Patrick Gallagher Jersey City, N. J.
Albert M. Kutzkey St. Johns, Ore.
John C. Byland Burlington, Ky.
J. E. Posey Alken, S. C.
Eug. C. Brockaw Chicago, Ill.
Irving G. Crocker Chicago, Ill.
S. H. Gray Athens, Tenn.
Ollie Hilliards West Newton, Pa.
Chas. M. Meeker Dalhart, Tex.
R. L. Peeples Birmingham, Ala.
John C. Walsh Brooklyn, N. Y.
Wm. Nance Bixby, Okla.
Ernest Bernard New York City.
Wm. J. Jones Claremore, Okla.
W. J. Williams Richland, Ga.
A. S. Cauble Cairo, Ill.
Warren Hank Wapakoneta, O.
A. R. Saffold Atlanta, Ga.
R. A. McKnight Johnson City, Tenn.
E. E. West Harrisonville, Mo.
H. H. Moody Oklahoma City, Okla.
Bert Clark Bartlesville, Okla.
Rocco Muccini Monessen, Pa.
A. E. Stone Lawrence, Kan.
Anthony Beddell East Hampton, N. Y.
Stacey Smith East Hampton, N. Y.
Max Kaplan Brooklyn, N. Y.
J. S. Stevens Flagler, Colo.
Alice A. Black New Orleans, La.
Israel Rothstein New York City.
Arthur R. Von Keller Newark, N. J.
Frank L. Moore Mt. Morris, Pa.
D. E. Woods Nowata, Okla.
L. J. Flannigan St. Louis, Mo.
Walter Purnell Point Pleasant, N. J.
C. P. Springer Eureka, Cal.

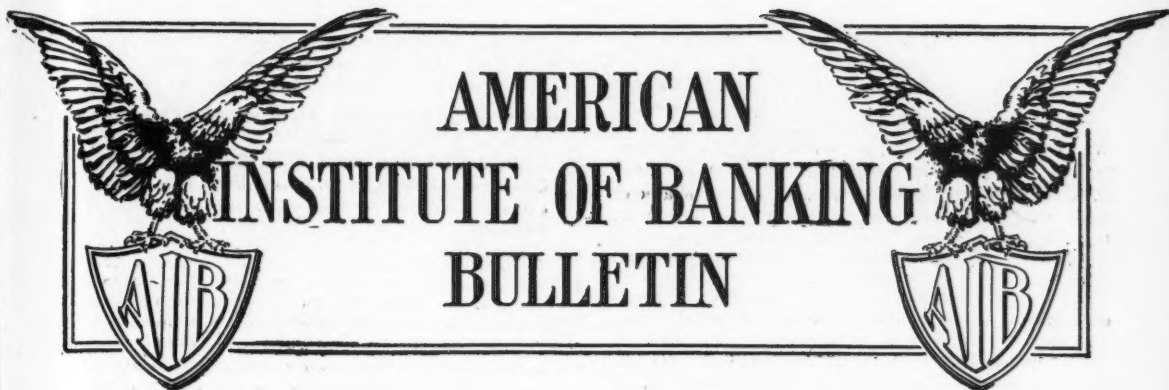
R. C. Clark Eureka, Cal.
Jack Kelly San Francisco, Cal.
Barzillo Conover Calton, N. J.
Wm. Otto Weems Palco, Kans.
Curtis Stokley St. Johns, Kans.
Will Williams St. Johns, Kans.
Geo. Tendall St. Johns, Kans.
James Breslin Natrona, Pa.
Paul Uhlig New York City.
F. Wehner Ridgely Park, N. J.
Frank H. Graham San Francisco, Cal.
Pettus Keltner Pueblo, Colo.
Earl Prather New York City.
C. E. Hamilton Marshall, Minn.
Tom Mullen Marietta, Ga.
Francis L. Frick St. Louis, Mo.
La Tour Vaught Olathe, Kans.
P. R. Stock Anaheim, Cal.
John W. Norton Owosso, Mich.
A. E. Brandon New Orleans, La.
Frank P. Hall Toledo, Ohio.
Richard Colston East Orange, N. J.
Vernon F. Shivers Lake Providence, La.
Julius Moe New York City.
R. D. Simpson Onawa, Iowa.
J. A. Johnson Cleveland, Ohio.
Ed. L. Deem Parkersburg, W. Va.
J. W. Hill, Jr. San Francisco, Cal.
Isaac Gittler New York City.
Henry Wolff Kearny, N. J.
H. J. Taylor Tescott, Kans.
E. Klein Nashville, Tenn.
W. F. Richards Tescott, Kans.

BURGLARS.

Mike Connors Layton, Utah.
Frank Morris Layton, Utah.
Charles Rogers Binghamton, N. Y.
James Lang Norwich, N. Y.
Jim Hill Norwich, N. Y.

HOLD-UP ROBBERS.

Tom Hogan Harlem, Mont.
Sam A. Hamilton Belleville, N. J.
Stanley Miller Harlem, Mont.



INSTITUTE GRADUATES.

Men Who Have Made Good.

BALTIMORE, MD.—Roland Benjamin, John Broening, Jr., Geo. W. Collars, Raymond B. Cox, W. K. Erdman, W. H. B. Evans, James D. Garrett, George P. Gleisner, Adrian J. Grape, P. S. Hensel, O. G. W. Levy, Charles H. Mueller, George Ott, Grason Ray, W. Wilson Taylor.

BEMIDJI, MINN.—A. G. Wedge, Jr.

BOSTON, MASS.—C. H. Marston, Olaf Olsen.

BUFFALO, N. Y.—Frank Noble, George D. Sears.

BUTE, MONT.—George T. Watts.

CHATTANOOGA, TENN.—A. M. Dickerson, T. R. Durham, D. H. Griswold, W. G. McMurray, F. L. Underwood.

CHICAGO, ILL.—G. E. Bangs, Charles L. Beers, A. R. Bennett, H. L. Benson, Wilbur S. Blanchard, Lester B. Brady, Wm. Brueback, Robert J. Clarke, Charles S. Cole, F. A. Crandall, Harold W. Dorn, O. W. Draeger, Herman E. Ellefson, Joel W. S. Flesh, Adolph Floreen, Paul Foerster, Jr., Wm. R. Forsberg, Fred B. Frizell, E. J. Golt, Grover A. Guthaus, Robt. E. Hanneman, Harry C. Hein, E. D. Hulbert, James E. Hull, W. E. Sutschemeuter, E. W. Jaeger, Walter L. Johnson, David Johnstone, Herbert Jones, J. R. Jullin, Thad. S. Kerr, A. L. Koopman, Frederick L. Lothrop, V. C. McGill, Louis J. Meahl, Walter Andrew Mueller, F. E. Musgrove, Thos. J. Nugent, W. W. O'Brien, M. F. O'Connor, James E. O'Riley, Carl Otto, Charles A. Peterson, Louis Rich, John W. Rubecamp, T. G. Schaffrank, J. C. Shirley, Robt. I. Simons, Harry S. Smale, S. L. Southard, Elmo Stevenson, Frank C. Tank, H. Thiese, Owen V. Van Camp, J. A. Walker, Wm. E. Walker, Charles W. Wilson, Ralph C. Wilson.

CINCINNATI, OHIO.—George C. Bauer, John P. H. Brewster, Charles W. Dupuis, Herman J. Guckenberger, D. J. Lyons, Henry J. Mergler, Arthur J. Schmitt, Wm. E. Strautman, Howard D. Thomas.

CLEVELAND, OHIO.—W. R. Green, Clay Herrick, P. J. Slach.

DALLAS, TEXAS.—H. P. May.

DENVER, COLO.—George A. Brown.

DETROIT, MICH.—Charles J. Higgins.

DULUTH, MINN.—John L. Evans, Henry Griesser, C. J. Grogan, R. C. Krelmer, G. H. McCarthy, H. C. Matzke, A. W. Taylor, John R. Wells.

FLUSHING, L. I.—Alfred G. Freeman.

FT. SMITH, ARK.—C. B. Herbert, Ernest Peninger.

HAVANA, CUBA.—James C. Martine.

KALISPELL, MONT.—H. V. Alward.

KANSAS CITY, MO.—Jerome Thralls.

LE SUEUR CENTER, MINN.—S. H. Whitney.

LOS ANGELES, CAL.—H. E. Allen, Leo S. Chandler, A. S. Forman, H. C. Hurst, P. W. de Lacy, S. W. Murray, W. H. Thompson, Edw. H. Wallace.

LOUISVILLE, KY.—John T. Bate, Charles C. Carter.

MEMPHIS, TENN.—Dwight M. Armstrong, Lawrence C. Humes.

MILWAUKEE, WIS.—F. E. Bachhuber, C. W. Brew, J. H. Daggett, H. J. Dreher, W. H. Hasse, Daniel T. Leisk, Otto N. Ludwig, Frank T. Nicolai, J. H. Puelicher, A. W. Scheer, Edward Schranz, Jr., Christie Sherman, Alexander Wall.

MINNEAPOLIS, MINN.—I. F. Cotton, E. A. Ripley, Gray Warren.

NASHVILLE, TENN.—F. K. Houston.

NEW ORLEANS, LA.—Joseph L. Benton, Victor L. Bernard, Fritz Borgemeister, John Dane, Richard G. Fitzgerald, Harry Hardie, R. S. Hecht, William B. Machado, Robert J. Palfrey, Frank L. Ramos.

NEW YORK CITY.—A. F. Albro, Newton D. Alling, Louis Auferin, Keith Lanneau Baker, A. M. Barrett, M. F. Bauer, W. C. Becker, Andrew Benton, J. B. Birmingham, R. W. Brett, J. A. Broderick, S. J. Brooks, F. J. Brown, C. F. Bruder, Jr., Charles W. Cary, O. H. Cheney, William Clements, T. J. Connellan, T. F. Costello, W. I. Dey, C. L. Dunkle, C. B. Eagan, F. W. Ellsworth, E. H. Ensell, Charles Feuerstein, S. K. Fischer, Samuel B. Friend, B. P. Gooden, C. W. Griffin, V. F. Hann, J. M. Harding, Wm. C. Heinkel, W. C. Hutton, W. N. Hyne, H. H. Irish, H. T. Jones, Orrin R. Judd, E. F. E. Jung, R. P. Kavanagh, G. P. Kennedy, Fred. I. Kent, W. H. Kniffin, Jr., L. A. Kraushaar, Wm. J. Liebertz, E. G. McWilliam, J. A. Neilson, L. H. Ohlrogge, E. L. Stewart Patterson, W. L. Peel, G. Lawrence Pegram, W. E. Pierson, H. M. Priest, T. A. Pyterman, L. N. Roe, R. J. Romlein, Wm. M. Rosendale, Thomas H. Ryan, E. K. Satterly, E. T. Schenck, Irving V. Scott, Edward Simpson, A. C. Steffan, Henry C. Steinau, R. W. Taylor, H. L. Tepe, Wm. M. Van Deusen, Milton L. Wicks, G. B. Williams, A. T. Wolfe.

OAKLAND, CAL.—John Davidson, Frank M. Cerini, John E. Gustafson, L. H. Heacock.

PHILADELPHIA, PA.—E. Leslie Allison, Edward C. Bell, F. H. Bendig, E. F. Benner, M. E. Benton, James B. Borden, R. M. Brandriff, Darsey Butler, R. W. Campbell, J. K. Cope, Jr., David Craig, A. L. Crispin, E. J. Davis, H. E. Dally, Elmer G. Dutton, Arthur R. Elmer, Charles B. Engle, Wm. S. Evans, Frank C. Eves, Carl W. Fenninger, Jacob Frank, Robert U. Frey, William George Friedgen, Morton Frick, H. J. Haas, J. H. Hall, W. E. Hitchcock, Charles R. Horton, J. T. A. Hosbach, A. A. Kelsner, J. C. Knox, Harry Kollock, Vincent B. Kulp, E. N. Matsinger, W. A. Nickert, Charles T. Patton, A. W. Pickford, M. D. Reinhold, Adin P. Rich, John R. Roberts, C. P. Rowland, T. H. Runcie, T. A. Ryan, T. W. Scattergood, Thos. W. Smith, Freas B. Snyder, Milton W. Stevenson, F. A. Stickney, Robert G. Test, J. L. Thornton, E. H. Thurman, Stuart White, A. H. Wilson, M. J. Woerner, John H. Wood, O. Howard Wolfe.

PITTSBURGH, PA.—S. V. Barton, A. G. Boal, J. I. Buchanan, Samuel Carothers, James Carson, A. H. Copeland, B. O. Hill, Alpha K. King, George H. Leitch, Andrew P. Martin, W. E. Palmer, Robert Patterson, Harry J. Pearls, H. B. Powell, Jr., J. E. Rovensky, A. W. Schreiber, A. B. Shaw, Samuel M. Shelly, John H. Tawney, John DeM. Werts, D. C. Willis, E. S. Eggers.

PROVIDENCE, R. I.—E. A. Havens.

ROCHESTER, N. Y.—John Henderson, Jr., F. Mutschler, C. F. Rothmeyer, F. M. Simpson, Frank S. Thomas.

ROSSBURG, OHIO.—Albert W. Kehrner.

SALEM, VA.—C. W. Beerbower.

SALT LAKE CITY, UTAH.—T. W. Ball, Q. B. Kelly.

SAN FRANCISCO, CAL.—Henry L. Clapp, Frank C. Mortimer.

SCRANTON, PA.—John Benfield, Joseph Davis, George B. Dimmick, H. L. Dimmick, A. L. Dymond, T. A. Gibbons, J. D. D. Gladdin, John Greiner, Jr., L. A. Howell, W. B. Kramer, E. R. Kreitner, George C. Nye, F. H. Pierce, Wm. Rodriguez, Harry J. Ryan, Norris S. Swisher.

SEATTLE, WASH.—Ralph H. MacMichael.

ST. LOUIS, MO.—Franklin L. Johnson, F. J. Miller, Byron W. Moser, Walter A. Wilkinson.

ST. PAUL, MINN.—F. H. Delaney, Albert Johnson, E. O. Nordstrom, Gilbert C. Utz.

WASHINGTON, D. C.—A. C. Chewning, C. H. Doing, Jr., Joshua Evans, Jr., J. D. Faber, F. V. Grayson, H. V. Haynes, Ernest E. Herrell, W. F. D. Heron, J. Burr Johnson, A. M. Nevius, Carroll Pierce, W. W. Spaid, E. S. Wolfe.

WILLIAMSPORT, PA.—Edward L. Taylor.

WRIGHTSVILLE, PA.—Charles H. Moore.

ZEELAND, MICH.—Thomas Keppel.

the Transit Department of the Fourth National Bank of New York. Another case of cause and effect.

BANK ORGANIZATION AND MANAGEMENT.

By Edward F. Romer, State Bank Examiner for the Cincinnati District of Ohio—Address Before Cincinnati Chapter of the American Institute of Banking.

I WISH especially to direct your attention to two subjects, one, Organization of Banks by Promoters; and the other, the Management of banks already organized. In the capacity of an examiner of the Department of Banks and Banking of this State, I have at times been astounded at the apparent incompetency of some bankers, and again at the indifference and lack of interest shown in fitting themselves for the vocations they have chosen. It is here your organization can do much good.

Probably one of the worst evils the banking fraternity in this State has had to contend with in the past and the influence of which still remains in some parts of the State, is the organization of banks by professional promoters. They have brought into the banking business incompetent, inexperienced and unscrupulous business men who have been the cause of many failures and irreparable injury to innocent stockholders.

Within the past two years we have experienced a great awakening to the enormity of this evil and as a result, both National and State Banking Departments have waged a ceaseless war against the professional bank promoter. Up to this spring, this State, like so many other States, had no law sufficiently drastic to prevent their organization. The last legislature, however, passed a law whereby the Superintendent of Banks may now withhold certificate of authority to do business for various reasons, chief among them, being organization by promoters, or objectionable men, ample banking facilities already in the community, or the inexperience or incompetency of applicants.

As an example how promoters frequently operated. About four years ago a well-known crowd of bank promoters opened a bank in my home county at Chickasaw, Ohio. It was not long after when it was sold to local parties, who soon realized they had been beautifully "stung," notwithstanding that they had been previously warned to keep hands off. After they realized their position, a suit was instituted, whereupon, the Court saw fit to appoint me as receiver. Upon taking possession, I had made a careful inventory and appraisal of all the assets, from the stove shovel to the cash, and it was at once seen the assets were not of sufficient value to pay depositors thirty cents on the dollar. The building and fixtures were on the books at two and one-half times the actual value. In addition, there were doubtful loans of local parties, also bonds and notes of companies which likewise had been promoted by the bank promoters. Upon investigating, I found that a glass plant, worth eight or nine thousand dollars (\$8,000.00 or \$9,000.00) was bonded for \$22,000.00, a pottery plant worth not over \$18,000.00, bonded for \$35,000.00. In addition, the same companies issuing the bonds had

RAYMOND B. COX.

By the Educational Director.

Raymond B. Cox, President of the American Institute of Banking, AN INSTITUTE GRADUATE IN WHOM EDUCATION AND PERSONALITY ARE PROPERLY MIXED, has been appointed Manager of

Demand notes in the bank upon which no interest had been paid for more than a year. After a thorough probing and sifting of the situation, I made discoveries that savored strongly of unauthorized, illegal banking; yes, of fraud itself. Whereupon I made certain demands. The defendants, who were of the class of professional promoters and who had promoted numerous other banks and industries, wisely concluded to avoid further trouble and publicity, agreed to my demands to not only pay depositors in full, but interest on the claims, including all costs of court and other expenses.

In accordance with my demand, every creditor was paid in full, the wronged stockholders reimbursed by the promoters; no one losing a penny, and the receivership lasting 42 days. While this was accomplished in such a brief time, I assure you they were strenuous days. It was a constant fight. They even threatened me with legal proceedings if I persisted in forcing my demands of restitution, but they finally acceded.

So that you will see that before I became connected with the Department of Banks of this State, I had a well defined opinion of professional bank promoters, and saw some of their pernicious and fraudulent methods and which is largely responsible for the abhorrence I have for the professional promoter.

Generally speaking, the professional bank promoter does more injury to banks than an ordinary embezzler or defaulter. He gets out of an organization at an early stage; or probably keeps aloof from being held criminally liable. However difficult, as it often is, to secure evidence to sustain criminal proceedings, there, nevertheless, is a moral certainty of guilt. Such improper organization is frequently the cause of speculation on the part of unscrupulous and incompetent officers who are endeavoring to make good the injury, and many otherwise honest officials become violators of the law in an attempt to make good.

As proof of this contention, I desire to call your attention to the fact that while the Banking Department has been organized about three years, during that time in this State thirteen banks have been called upon by this Department to liquidate. More than one-half of these can be classed as promoted banks. In your own city during the past fifteen months, three banks were obliged to liquidate.

A bank, as I understand it, is primarily created to be an agent, receiving funds from him who has more than his present needs demand, and to lend it to him who is in need of additional funds. Therefore a natural need or demand for a bank should exist and not be created by the promoter.

Preventing bad banks from being organized, we have but to keep and make the banks already organized sound to have a good banking system. To do this, we have another important subject to consider, that is the management of the bank.

While in a general way, the management of a bank is in the hands of the Board of Directors, yet we should not overlook the officers, who, while subordinates and agents of the directors, play a most important part in the proper management of a successful bank. I cannot conceive how an institution, which is properly organized and properly managed in

accordance with the laws of this State, can be other than successful.

The character and reputation of banks to deal honestly and fairly, is its most valuable asset. As the good name and reputation of a State or Nation depends upon the standard of morals of its citizens, just so a bank depends upon the proper conduct and reputation of its officers.

The growing disposition to hold directors of corporations to a strict accountability makes it more necessary than ever that those who accept positions as directors should have a clear knowledge of their duties. In many cases, it will be found that directors have been required to make good losses sustained by the bank. They themselves have not been guilty of any actual wrong, but they have incurred a liability merely through inattention or ignorance. They have certain duties to perform; if they are not acquainted with such duties and the affairs of the bank, it is their duty to acquaint themselves. Ignorance, in the eyes of the law, excuses no one. It is their own fault if they are not cognizant of what is going on.

It is to be regretted that some persons fail to realize or otherwise disregard the great responsibility to the public when they permit their names to be used as officers or directors, as a guarantee of the corporation's trustworthiness. This holds good not only in banks, but also in all other corporations.

It is here you gentlemen play a most important part in the management of banks. You are only serving yourself as well as the bank honestly when you promptly report to the Directors any mismanagement or violation on the part of any official—it matters not what position such official may hold. Rather sacrifice your own position than shield a wrong-doer. You are the agent and employee of the Board of Directors and not of any officer or set of officers.

The Banking Department of this State requires the Directors and officers of each bank to pass on the value of its assets at each examination and to sign, in the presence of the State Examiner, a declaration that they have examined all the bills, notes, and other securities, forming a part of the assets of the bank and declare that to the best of their knowledge and belief all signatures and endorsements are genuine; that all collaterals pledged as security are in the custody and control of the bank and all the notes and investments are good and collectible with the following exceptions: if there are any exceptions, such doubtful or bad paper is itemized. The examiner has authority to compel any officer or customer to testify under oath in the course of such examination. Thus the responsibility is placed where it belongs, that is, in the Board of Directors, and the Directors know at first hand exactly what the examiner finds. This has had a most wholesome effect and has been one of the means of getting at the true condition of the banks of this State.

While the examinations made by this Department have been regarded by some persons as rather severe and more severe than by many other Banking Departments, the results are not only gratifying to the Banking Department and the good bankers of this State, but they have been, in a measure, a great benefit to the banks themselves.

As a proof of this assertion, I wish to call your attention to a few statistics:

This Department was created in 1908, and while one examiner was appointed in July, 1908, the Department was not properly organized until June, 1909, when there were eight examiners in the Department.

The increase in aggregate resources from August 18, 1908, the date of the first report of conditions, to September 25, 1911, was one hundred and one million, one hundred and eighty-nine thousand, six hundred and thirty-one and eighty-nine one hundredth dollars (\$101,189,631.89).

Increase in deposits in the same period was \$93,248,105.66.

Increase in demand deposits 39.5 per cent.

Increase in time deposits 22.5 per cent.

Or an average increase of 28 per cent.

Total Reserve on September 25, 1911, was 19.4 per cent. as against the 15 per cent. required by law.

Cash Reserve was 5.3 per cent. as against 4.7 per cent. average cash reserve required by law.

The Paid in Capital was increased

in three years \$3,381,864.56

The Surplus during same period

was increased \$3,575,935.63

Or a total increase of Capital and Surplus of \$6,957,800.19

ates of Authority to do business have been granted Since the creation of this Department Certificate to seventy-nine institutions. Of this number twenty-four were private banks which have incorporated.

During the same period forty-seven banks surrendered their charters in the following manner:

Receiverships and Assignments before passage of the Liquidation Act 6

Nationalized 1

Closed by the Department for Liquidation..... 7

(One of these—Loudenville—was reopened in about six weeks after date of closing without loss other than \$700.00 expenses).

Consolidations 11

(Six of these upon suggestion of this department and most of the others by way of requirements of examiners).

Voluntary Liquidation 22

(Seven of these upon the insistent urging of the department).

Thus can be seen this Department, while conscientiously and efficiently supervising the State banks and Trust Companies, is weeding out the objectionable, weak and bad banks and has in a large measure been the direct cause of the increase of aggregate resources before mentioned by creating public confidence in the banks of this State.

I hope this State will also soon place its private banks under State supervision. In one instance, when this Department refused a certificate to do business to an organization having the taint of "professional" promotion, it opened as a private bank. Here is an example of the possibilities of the ultimate field for the nefarious manipulations of the professional bank promoter. Have supervision of Private Banks and Ohio will entirely eliminate the bank promoter.

moter. This is more beneficial to future banking than the bare statement implies. Yet the Department is powerless for want of a law governing the Private Banks.

A bank is a quasi-public institution. No bank conducting a safe business need fear supervision and examination. One fearing or refusing such supervision should not be permitted to receive deposits or use the word "Bank" or "Trust Company" in their title.

The fact that twenty-four (24) banks have incorporated is ample proof that many of the private banks are revolting against being classed with those who are fighting supervision, which is almost an admission of not being properly conducted.

I think private banks should be made subject to inspection, at least, those which by using a bank name or otherwise, prevent a clear and ready understanding by the public that they are in fact individuals or partnerships.

Your organization, as I view it, gives to the younger bankers a splendid opportunity of qualifying themselves for more important positions in the future banking field. It is an opportunity that many bankers would only too gladly welcome. But on account of the remoteness of their location from banking centers, it is impossible.

Not only does the information you gather by reason of the interchange of experiences and observations help you individually, but by applying them to the improvement of the methods and accounting systems of the banks, you are connected with, you will also serve your bank better and be more rapidly advanced in your positions.

In conclusion, permit me to add that having had charge of the Cincinnati District for the past two years and a half, I am pleased to see the great improvement in the condition of the banks of this city. They are today in a stronger position than ever before. I can make this statement from the standpoint of the depositor or investor of bank stocks, and it is with a pardonable pride I make such statement knowing the part this Department has had with such improvement as well as the voluntary co-operation and assistance of the Directors, officers and clerks in the various banks.

INSTITUTE EMBLEM.

No Change Recommended.

Editor Bulletin: The committee appointed on Institute Emblem would recommend that it is not to the interest of the majority of the chapters to make any change. This decision has been reached after a careful canvass of all the chapters. We would therefore recommend that the present emblem be continued and that more generous use be made of the same.

(Signed)

Wm. M. Rosendale,

R. B. Cox,

H. H. Owens,

Committee.

DOES THE INSTITUTE PAY DIVIDENDS?

By F. W. Ellsworth, Publicity Manager of the Guaranty Trust Co. of New York. Address before Chicago Chapter, American Institute of Banking.

WHEN the American Institute of Banking was organized back in 1901 there was considerable skepticism as to the usefulness and ultimate success of such an enterprise. At first those who doubted its feasibility greatly outnumbered its friends but this ratio has experienced, through the years, a gradual change and is now practically reversed so that today comparatively few men interested in banking have anything but a good word for the organization.

What has brought about this decided change? I think that it is nothing more nor less than the fact that the Institute has achieved results; that it has transformed pessimists into optimists; knockers into boosters; passive bank men into active bank men; ordinary clerks into extra-ordinary clerks; and many hundreds of live clerks into bank officers—in a word, the Institute has made good—it has paid dividends. And not only has it paid dividends but it is going to keep right on paying dividends, and they are to be larger ones, and there will be more of them as time goes on. The Institute is gathering momentum.

Before the Educational Committee of the American Bankers Association considered the organization of the American Institute of Banking they had been confronted for a long time by the serious fact that the methods which prevailed in banks, owing to the specialization of the work, was not developing all round bankers—men really familiar with the banking business. It seems a very sensible and logical thing, therefore, in order to meet this condition, that an institution should be established, fathered by the American Bankers Association, which should have for its purpose the thorough and comprehensive education of bank men along banking and financial and economic lines.

As is well known, for the first few years the Institute had some difficulty in "finding itself"—in determining just how best to accomplish its purpose. Some of its early members tried to make of it a "glad hand" organization; others were rather inclined to the club idea; but fortunately still another class believed thoroughly and enthusiastically that the Institute should be just what it started out to be, and so we have it as it is today, a great national school of banking and financial education.

Hundreds of bank men have given of their time and of their brains to better equip themselves for their various bank duties, and the several hundred Institute certificates which have been issued to these men are concrete evidence that work has been done, that things have been accomplished; that the standard of efficiency among bank men is on the up-grade.

Should there be one who doubts the present popularity of the Institute, let him but contemplate the hundreds of influential bank officers throughout the country who are members and who recommend membership to their employees. There are but few of the progressive banks in any of the chapter cities

whose officers are not identified with the local chapter. In one of the largest trust companies in New York City for instance, every one of the fifteen officers is an active member of New York Chapter. Within the last few months a number of the New York banks have contributed a large sum to make possible permanent headquarters for New York Chapter. I mention these instances merely because I happen to be familiar with them, but the same conditions, or similar ones, are true in San Francisco, in Los Angeles, in Kansas City, in Chicago, and in other cities. If the Institute had not acquitted itself in a satisfactory manner during the past ten years it is hardly probable that it would receive such significant and practical endorsement from discriminating men like these.

So much for general results.

I think we need go no further to demonstrate conclusively the present status of the Institute and to prove that the organization has paid dividends in a general way.

Now let us see what has been done specifically; or to put it in another way, let us consider what has been the actual causes which have changed the entire attitude of the banking fraternity from indifference, and in some cases, from actual hostility, to friendliness and enthusiastic support.

According to a recent issue of the Bank Man 14 per cent. of the charter members of Chicago Chapter are now holding official positions in banks. That's a pretty fair dividend, isn't it? But we can go even further than that on the authority of the same publication, which states that 90 per cent. of the Chicago bank officers appointed in the last five years are from the ranks of Chicago Chapter. A commercial business which could pay such a dividend in the same length of time would fill its stockholder's hearts with joy and their pockets with jingling shekels.

Brandt Downey, who needs no introduction to a Chicago audience (nor to any other Institute audience for that matter) stated at the Rochester Convention last month that as a result of considerable investigation he has ascertained that 700 men, members of the American Institute of Banking, have been promoted to official bank positions since the Institute was founded. In the language of Bert L. Taylor, I believe that makes a noise like a dividend.

But not all of the members of Chicago Chapter, nor of any other chapter, can become officers; there are not enough official positions to supply the demand. Neither can all secure the higher positions for the same reason. Right in line with this thought let me quote a paragraph of good sound sense which our Educational Director expressed in an address before the California Bankers Convention last Summer. Mr. Allen said: "But this is not solely a machine to make bank officers. It is a machine to make better bank clerks and better citizens. We all know that not every bank clerk is going to be a bank cashier or president, there are not enough jobs to go around, but every bank clerk who understands his business well will at least do his work easier, with more satisfaction, and have more time outside for social pleasures and study. Banking is becoming a

profession and needs more and more trained men from the top to bottom of every institution. The public expects that anybody connected with a bank will be able to answer questions pertaining to banking and financial subjects. They do not distinguish between the President and the Messenger, and it is to the interest of every bank, to preserve its proper leadership in the community, to have a force of men that can do that very thing."

In confirmation of this sentiment, not only are there today hundreds of bank men throughout the country who are further advanced in their respective offices than would have been the case had they not become actively interested in the work of the American Institute of Banking, but there are also hundreds who are doing their work in a more intelligent manner; who know better just why they do the particular work allotted to them. They no longer put down sixes and sevens at a particular time and in a particular way because their predecessor on the job so instructed them, but they thoroughly understand the reasons for so doing and can explain those reasons, many of them on the platform, and a still larger number of them in a readable, succinct article.

"But," you say, "wouldn't those men have been promoted just the same if they had not belonged to the Institute? Isn't the Institute getting a lot of credit for promotions that would have occurred any how?"

My answer to that is this: The Institute surely is getting credit for many promotions which would have come to the same men in the natural course of events even though there was no Institute, but isn't it a significant fact that a very large percentage of such promotions come to Institute men even though the ratio of membership to the total number of bank men is relatively small, and doesn't it follow that the live men in banks are in the Institute?

I would say further in reply to your question, if it were possible to analyze the promotions in, say, a score of banks that as a rule the men who are remaining in the rut, those who are looked upon as permanent fixtures in their respective positions, are the men who have not allied themselves with the Institute, while those who are progressing are, as a rule, those who are not only members but are actively engaged in the work of the chapter.

We all know case after case in various banks where men of seemingly ordinary ability and apparently little ambition, have been either enticed or pushed or hauled into chapter work and have developed faculties and abilities which neither they nor any one else has ever supposed existed.

The men who have served on your Executive Committee during the past ten years, and more especially those who have been privileged to act as its president, can give scores of instances of men in Chicago Chapter who have been placed in better positions through the instrumentality of the chapter. The chapter makes no pretense of being an employment bureau but, from the very nature of things, banks who are looking for men and men who are looking for positions find it convenient to apply to some official of the chapter, and I believe I am safe in saying that since Chicago Chapter was establish-

ed 150 men have been placed in positions which meant to them a substantial increase in salary and a corresponding rise in rank.

Mr. James G. Cannon, President of the Fourth National Bank of New York, speaking before the Rochester Convention recommended that the Institute establish a "Clearing House" where men seeking better positions and banks seeking good men can be brought together. As a matter of fact, most of the chapters have been doing this work in a quiet way for several years, and if this work does not mean that the Institute is paying dividends I do not know what it can be called.

But I don't want to leave with you the idea that the only dividends worth while are those which come from higher positions or even increased salaries—we all want those of course. What I do wish to impress upon you is the fact that the very biggest, and broadest, and best dividends which can come to any of us through our association with the Institute is that dividend which means a better and more thorough knowledge of the business in which we are engaged; which means a broader and more tolerant attitude towards our fellow man; and which means a more intelligent and, therefore, a more loyal and patriotic citizenship. This is the kind of dividend which I am sure will in the most significant manner justify and confirm the splendid judgment displayed by the American Bankers Association when they founded the American Institute of Banking.

FARM MORTGAGES.

By Harry Lee Taft of the Pearsons-Taft Land Credit Company—Address Before Chicago Chapter of the American Institute of Banking.

I HAVE been asked to speak to you tonight on the subject of Farm Mortgages and in doing so I desire to touch upon three phases of the business.

1. The American practices as they relate to the subject—to show the haphazard, unorganized lines along which it has been conducted and the resulting weakness from such a growth.

2. The differing practices of European countries where the business has been conducted along right and scientific lines and the magnitude and importance it has assumed there as a result of right methods.

3. What effort is being made here to eliminate the weakness of the American system and the application here of those principles which have proven indisputably right in the Continental practice.

It is little less than extraordinary that so important a branch of American finance should be so little understood by the American people at large or indeed even by those engaged in it for a livelihood.

Land Credit does not differ materially from Commercial Credit, which is your business, except in the difference of the character of the security which forms its basis, and the differing purposes for which the credit itself is created. Yet while your own has been for many generations the subject of legislation of both State and national character—that it

may more surely, more dependably, perform the service for which it is intended—there has been in the case of the Land Credit no single piece of legislation. It has been allowed to develop along undetermined lines to fit the circumstances of each individual operator or the needs of each different small community, in widely differing degrees of efficiency, and if it has proven in a general way a great success, and grown to great volume in America, it has done it in spite of and not because of the manner in which it has been handled.

It has been left entirely in the hands of local loan agents or the small country bankers, and conducted entirely according to the ideas of some one such individual in his effort to serve honestly or otherwise the needs of the community immediately adjacent to his center. It has not been possible for him to handle the business in any larger or broader way than the needs of that community would permit. He has, as a matter of fact, been obliged to take the business as he found it—rather than make it what even he may have realized it should be made; and thus it becomes apparent that the business conducted in such a way could of necessity be no better than was the community that produced it and that there must be the same great difference in its character that exists between the different communities themselves.

Between two local agents operating in different States where climatic and agricultural conditions differ widely, you would at once find a conflict of opinion as to what constituted a safe and desirable farm mortgage and if analyzed, you would find the difference of opinion the result of the different circumstances under which each had acquired his experience—neither has been obliged to conform to certain fixed standards—neither has been obliged to conform to practices laid down for him as those proven best by practice and experience—there is no obligation imposed on either by other than his conscience, and you would often find the grade of his business determined more by the temporary or permanent nature of his individual plans than by any attempt on his part to make his standard high.

What would happen in your own line of business can be quickly understood by each of you if you could imagine that all legislation governing its conduct were suddenly abolished and each institution left to pursue without restraint the course that in its judgment led most quickly to the desired results, —and yet that is precisely the position in which each Farm Loan agent is and has been since the beginning: each fixed his own standard for security—each determines for himself the amounts he considers safe or permissible to advance—each employs his own ideas of the character and provisions of the legal instruments to be used—and each decides for himself what may constitute a safe or sufficient title to the land to be mortgaged. Yet each of these things calls for an expert opinion.

Is it any wonder then that we hear constantly of the non-negotiability of Farm Mortgages. The Loan agents of one community striving for a high standard of business would look askance at the loans of some others—though these latter might in all sincerity have considered his own equally good.

The results of such methods have shown themselves in the attitude of the investing public, and this is most positively reflected in the widely differing rates of interest that obtain in different States. In some of the older Eastern ones rates have gone as low as 4 1-2 per cent.—when at the same time those in a newer Western community may rule at 8 per cent. Theoretically, these variations indicate the difference in safety and desirability—but actually, and to one versed in the subject, they reflect only the public's lack of understanding of the underlying principles which should govern the making of a high grade mortgage. Personally, I know localities where 8 per cent. may be obtained, and from which I would actually prefer the investment to that of the 4 1-2 per cent. country—when judged from the standpoint of safety and desirability.

All this seeming chaos will leave you with little idea of the real magnitude of the business itself. While it is true that there is not an institution in the country organized solely for the conduct of a Farm Mortgage business having a capital of over One-Half Million Dollars—the Insurance Companies of this country alone carry more than Four Hundred Million Dollars of such securities among their assets—one at least is so satisfied with them that it loans on no other collateral; and with practically only two exceptions among the large companies, they all carry large lines of this paper and have repeatedly expressed their satisfaction with it. Their experience justifies this satisfaction, and it is also worthy of note that those companies carrying the largest proportion of such securities, net the highest average interest returns on their investment. They have been successful in this line of investment because they have the experience, the judgment, and the machinery,—which enables them to find and avoid the weak spots I have suggested.

It is a pity that so splendid and remunerative a field for investment is not more available for that great class of small investors who have neither the experience nor machinery to permit them to discriminate between the different grades of such paper offered and that they must, therefore, of necessity depend so entirely upon their judgment as to the integrity of the individual offering such paper, rather than an intelligent analysis of the paper itself.

Now contrast with this the method of European countries, where for one hundred and fifty years they have had a well organized, intelligently-planned system of Land Credit. There their banks are organized for this distinct branch of banking, along lines best calculated to produce the results desired and render the service necessary. Their Banks are under the regulation and supervision of the Government in the same manner that are our own National Banks—they employ large capital—are responsible to the Government for the character and methods of their business and enjoy the confidence of the public to that degree that any institution so conducted is entitled to. They render to their borrowers the kind of service best suited to their peculiar needs, and insure to the investing public a class of paper that calls for no other recommendation than that of the name of the issuing bank.

These Mortgage Banks guarantee the principal and interest and the proper conduct of the business. Their paper being thus uniform, becomes instantly negotiable and is listed in and traded in on all the important exchanges of the respective countries—in the same manner as our own Railroad securities.

These institutions are second in importance and size only to the Commercial Banks. The Credit Foncier of France has over Forty Million Dollars of capital; and some thirty-six such Mortgage Banks in Germany have a combined capital of over ONE HUNDRED AND TWENTY MILLIONS.

The instant favor that paper thus issued and guaranteed finds with the investor is shown by the enormous quantity that is absorbed and the rates of interest at which it is marketable—the issues of the French Banks averaging about 2 3-4 per cent. and those of Germany netting less than 3 per cent.

The prices of these listed securities is remarkably steady and dependable and in times of stress have actually shown less fluctuation than the securities of their respective Governments. There have been periods of fifteen to twenty-five years, with all their attendant financial disturbances, when the Land Credit Bonds have not in that period shown an extreme fluctuation of four points.

The result is an investment security universally understood and regarded with universal confidence, and a method of loaning—insuring to the borrower a minimum rate of interest,—with a plan of loaning best calculated to fit his peculiar needs.

We see no such extremes of interest rates as exist between the different parts of our own country—interest rates, indeed, that are based solely on the character of the security and insuring to one borrower as favorable consideration as to another, with equally good security, regardless of the part of the country in which the security may be located.

That the European result is entirely feasible in our own country is indicated by the Mortgage Statistics of both—which show the actual working of properly placed Land Credit almost exactly identical on both sides of the water.

Now what has been done in America to bring about these desired conditions and to place the American business on a plane of dignity equal to that of the business abroad?

Only one Company has recognized in its standards and the conduct of its business the principles underlying the European Mortgage Banking methods. This Company long since recognized that its field lay in those portions of our entire country capable of offering the class of security necessary to the highest grade of Mortgage paper, and has sought to occupy those fields wherever they might be found—regardless of State borders and free from the local prejudice that must of necessity govern the business conducted on a narrower scale.

It permits itself to be attracted to loaning area not by rates of interest, but solely by character of security; it completes its loans on a scientific basis proven necessary to the best results; it employs only men and means that can stand the test. It is the

only Company confining its business entirely to Mortgage Banking that operates under the supervision of the Banking Department.

It has issued the only Mortgage security in America that is listed on a public Stock Exchange and the experience of these listed securities compares favorably with the European experience—though, of course on a much smaller scale.

That its methods are right can not be questioned in the light of results,—for it has placed close to a total of SEVENTY-FIVE MILLIONS in Mortgages, and has done it without loss. No other evidence of the desirability and safety of such paper need be offered.

Agriculturally, these United States are of first importance among the nations of the earth. It is an axiom of political economy that any country's welfare, socially and economically, is in direct ratio to the success and welfare of its agricultural communities. Every real value of a nation rests upon the foundation of its agricultural classes. It would seem then, that a country so great as our own has proven along agricultural lines—a country with so much still ahead of it in the way of agricultural improvement, should be entitled to all the assistance it can legitimately receive that will most speedily and profitably bring about this development.

No dependable statistics have ever been made public regarding the amount of the mortgage debt carried by the farms of the United States, but it does run into the billions,—an aggregate sufficient to make it worthy of thought, and, I submit, worthy of legislative recognition.

It is well within reason to say that the application here of European methods would at once reduce the rate of interest paid by borrowers by at least 1 per cent. per annum, and even on this basis the saving annually would amount to millions of dollars. More than that, it would insure automatically and at reasonable rates the capital necessary to those localities needing development which were able to establish a satisfactory credit, and it would provide a channel of investment available for the small as well as the large investor—in a class of paper that has earned an unapproachable record for itself even when working under all the disadvantages I have pointed out.

WHAT ARE YOUR ANSWERS?

Questions Asked by W. H. Kniffin, Jr.

1. Should there be any distinction in the Institute between bank clerks and bank officers provided both are Institute thoroughbreds?
2. Would you rather be an Institute graduate—a distinction measured solely by your own merit—or an Institute Fellow—something measured by somebody's votes based largely and necessarily upon personal preferences and geographical considerations?
3. Does the Institute Fellowship class as now constituted—one-third graduates and two-thirds others—properly represent Institute ideals?

THE BANKER AND THE LAWYER.

By Hon. James Francis Burke—Address before Pittsburgh Chapter of the American Institute of Banking.

THE banker owes much to the lawyer, the lawyer owes much to the banker, and the world owes much to both.

While they are both largely independent of each other, each is indispensable to the community.

They remind us of each other by their contrasts.

The poor banker makes trouble out of money, while the good lawyer makes money out of trouble.

One makes interest on deposits, while the other makes deposits on interest.

One provides the means to do things, and the other provides the way to do them.

One examines the notes of men, and the other studies the men of note.

One knows all about collateral heirs, and the other all about collateral securities.

Now and then we hear of the patent lawyer because he never was patented and for the same reason probably we hear of the bank teller because he never tells anything.

But despite these characteristics their relation to the community is not only intimate, but important. By the very nature of their vocations they are both trustees of society. To the one the people intrust their secrets and their troubles; to the other they intrust their securities and their savings.

As a breach of the confidence thus reposed may mean social disgrace or financial disaster to those whose trust is betrayed, the sacred character of their stewardship is apparent, and the importance of keeping the legal profession and the bankers' fraternity free from perverts and pettifoggers is manifest.

As the stability of government is measured largely by faith in its laws, it is of vital importance that the legal profession, which has so much to do with the people's affairs in the construction and interpretation of those laws, should always command the confidence of the community.

On the other hand, as the value of accumulated money depends in no small measure upon the safety with which it may be intrusted to others for investment, it is clear that to shatter the people's faith in the banker is to discourage thrift and cripple enterprise.

As public confidence in the banker increases, money will come forth from its hiding places and finally force its way through the banking house into the channels of commercial activity.

On the other hand, as this confidence in the banker is shaken, money will seek shelter in places where its safety will pay the usual penalty of idleness. And as idle money and idle men add nothing to the world's wealth, it is a grave mistake to discourage the honest activities of either.

The more the banker is taught to cultivate public confidence, and the more the public is taught to respect and reinforce the banker, the more certain are both to prosper.

The habit of forming false opinions of one an-

other is one of the most vicious and dangerous tendencies of our times and it is a habit whose cultivation is not unknown between the banking world and the general public.

The habit of looking for and magnifying the evil in men, instinctively engenders hatred and distrust and discourages that harmony of effort and that mutuality of respect which are essential to success in all great undertakings.

Every promoter and preacher of prejudices is a public poisoner and a menace to modern society. The promoter of real progress is the man who finds much good in all of us and keeps always in mind the fact that man's confidence in man is one of society's richest treasures and one of the commercial world's most valuable assets.

It follows, therefore, that the man who betrays the confidence reposed in him not only offends against the individual betrayed, but against society in general by violating one of its common laws and shattering public faith in its stability.

Strict fidelity to every trust, therefore, and a rigid observance of every confidence are attributes which the lawyer and the banker can never safely disregard.

But to be a real banker requires more than the observance of confidence and the exercise of ordinary discretion.

It means more than the ability to smile on the faces that ornament our coin and adorn our paper currency; it means more than the ability to count cash and to calculate interest.

The real banker must study the character of his depositors; their financial habits and their domestic and commercial needs; he must be able reasonably to measure the volume and the time of various deposits in order to make the best use of the funds while they remain in his keeping and at the same time be prepared for every banking exigency.

On the other hand, as a matter of precaution, he must familiarize himself with the moral character and the financial worth of every borrower; he must scrutinize every enterprise seeking assistance and discriminate between the wildcat venture on the one hand and the worthy enterprise on the other.

In every financial crisis he must discern between the ship that is to sink and the craft that is going to weather the storm in order that he may not add to the distress and magnify the disaster.

While along some of the narrow pathways of our financial history there may be found the ruins of fortunes shattered by the cunning manipulators of markets and wrecked by the occasional cowardice or cruelty of near-sighted, panic-breeding money lenders, nevertheless, in the great broad highway of finance there are a multitude of monuments erected to commemorate the wisdom, courage, and the charity of cool-headed leaders who gave confidence to the rich, protection to the savings of the poor and averted disaster in the presence of the greatest perils.

These services have been rendered not to individuals alone but to many of the world's great nations in time of need.

As an illustration, in her struggle with Russia, Japan would have failed but for the assistance ren-

dered her at a critical period of the war by American bankers.

The part played by Morris and his fellow-bankers by sustaining the armies of Washington at the low-tide of the Revolution and the service rendered by Salmon P. Chase and his companions in the financial world to the forces of Lincoln during the high-tide of the Rebellion are instances of courage and patriotism that can never be erased from the memory of those who love the American republic.

In the development of domestic industries the banker has played so potential a part that scarcely an establishment of any magnitude has attained its present commanding position in the commercial world which has not at some time received the banker's aid.

In the field of foreign commerce the science of banking has shown its greatest skill and displayed its attributes of international statesmanship.

In that "Federation of the World" which commerce is doing so much to bring about, the banker has always been and is today among the pioneers and the leaders.

The vast sums of money which the people of the world have invested in countries other than their own are, as a rule under the control of the world's great financial generals. As these investments usually have the double purpose of earning reasonable interest on their own account and in addition expanding the foreign trade and enlarging the exports of the nation to which they belong, the importance of the bankers part in thus promoting the world's prosperity and preserving the world's peace dawns upon most of us in a new light.

I say "preserving the world's peace" advisedly because nothing is so potential in causing indignant nations to halt before beginning hostilities as the vast capital which will be imperiled, if not destroyed, by war.

The magnitude of these investments, too, may enable us to form some impression of the vigilance constantly required of the bankers to whom in the first instance, these vast sums are intrusted.

The average savings set aside in the United States and Europe for investment in old and new securities is \$12,500,000,000 annually.

Of this sum the United States furnished \$600,000,000, England \$450,000,000, France \$400,000,000, Germany \$300,000,000, and the smaller countries the balance.

While much of this money is invested at home, a vast amount of it goes abroad.

The total foreign investments of surplus earning countries today is close to \$30,000,000,000.

When we recall that four years ago there were \$11,000,000,000 of negotiable securities in the world we realize that over twenty-five per cent. of them are held in countries other than those issuing them.

To ascertain the actual worth of this vast volume of securities before acquiring them, and to determine the incidental benefits to be derived from their ownership is the task of the banker. And in the proper discharge of this duty he must display an intimate knowledge of foreign countries, of the character and habits of foreign peoples, also of the likelihood of

expanding the markets for his own country's products, and not the least of all, he must display that measure of patriotism and that degree of devotion to his own country which should never allow his loyalty to be questioned no matter how alluring the investment under a foreign flag.

The present age is one in which commercial captains are hunting new conquests beyond the limits of local environments. Our city and our country are both facing the problem of commercial expansion, and the vast opportunities for enlarged trade and the unlimited demands for the things we produce to be found in foreign markets, are impressing themselves upon us more and more from day to day.

Let the banker who is called upon from time to time to encourage local enterprise keep in mind not only the interest immediately to be earned upon his loans, but also the vast benefits to be conferred upon the community at large by the development of the enterprise to which he gives his assistance.

Looking beyond mere local movements, however, and into that broader field of international activities where real genius finds the richest opportunities, let us encourage the American banker in his efforts to assume his rightful place among the leaders.

For a hundred years the field for home investment has been so attractive and so profitable that little capital remained for foreign enterprise.

In addition to this our home markets were sufficient to keep us busy and most of us prosperous. Now that we produce a surplus, however, and consequently have become an exporting nation, the foreign market becomes a vital and essential factor in our commercial life.

To capture this market the American banker must play his part. And the part he has played in building up our domestic industry in the past gives assurance that he will meet and perform his new responsibilities in the wider field of effort in a characteristic American manner.

The safety of capital at home and abroad depends not only upon the moral character of men, but the soundness and fairness of the laws by which men and money are governed and protected.

The mastery of no other science requires a more exact knowledge of human affairs than that of the law.

A carelessly constructed statute can paralyze business and impair the powers of government in so many different ways that elaboration is unnecessary.

As illustrations of this, the business world throughout the Nation has been in a state of uncertainty for a long period of time and the local political world was recently thrown into a state of serious controversy as a consequence of the uncertainty of the terms of public officials in this city and in various parts of the State.

To write a law intelligently its author should not only know intimately the desires, but understand thoroughly the rights of the people.

He should also possess intellectual capacity to put in clear unequivocal language such laws as the general welfare require, and last, but not least, he should possess the courage to oppose every species

of class legislation no matter how loud the howl, or menacing the threat of special classes or special interests.

And while I yield full tribute to the brilliant minds, the generous hearts, and the patriotic impulses of the millions of men engaged in other vocations, I still believe that the lawyer, the man who has mastered the law's real meaning, and understands its philosophy; the man who has a genuine knowledge of its necessity, the man who has a profound reverence for its observance and a sincere abhorrence of its violation, is the best equipped of all God's creatures to write, to interpret, and to administer the rules by which the world is regulated and its people governed from day to day.

What English history would be without the names of Blackstone, Kent, Coke, Mansfield, Bracton, and Brougham, is a question whose answer suggests a night bereft of its brightest stars, a national structure deprived of its strongest pillars.

If you would strike from American history the names and achievements of James Otis, John Adams, John Quincy Adams, Patrick Henry, Charles Pinckney, John Marshall, Abraham Lincoln, Daniel Webster, Rufus Choate, and our own Knox of today, you not only change the world's political and commercial map, but do much to dim the luster of every star in the glorious emblem of our Republic.

But despite the wisdom and courage of many great lawyers, and the conservatism and prudence of many great bankers, the rapid pace of our commercial development has brought us face to face with the fact that errors of omission and commission have crept into our political and commercial system during the course the American people have traveled. To correct them we need not tear down the pillars of the temple, but while eradicating the evil let us be doubly sure to proceed with prudence and perseverance in order that we may preserve the best the American mind, the American hand, and the American heart have brought forth during a century of effort.

FASHION IN VICE.

False Ideas of Honor

George Bernard Shaw, in the New York World, says: "I doubt if there has ever been a country in the world's history where men were so ashamed of being decent, of being sober, of being well-spoken, of being educated, of being gentle, of being conscientious, as in America. The mere tyranny of fashion forces them to take one another into saloons and stand drinks; to swear and fight; to speak of women only in obscene jests, and of religion only in blasphemies, although it is quite certain that the majority of them are doing this only on a false point of honor and would much rather behave decently, if American civilization permitted them. But it does not. This atmosphere of violence and drunkenness and obscenity and blasphemy is the whole of American civilization in many districts, just as it is four-fifths of modern civilization everywhere."

LET BANK EMPLOYEES KNOW.

Bank officers should advise their employees about the course of study provided by the American Institute of Banking, which is intended to cover the theory and practice of banking and such principles of economics and law as apply to the banking business. While the work of the Institute is mostly devoted to orthodox methods of banking and establish principles of banking law, the investigation of financial problems is encouraged, with due caution, however, that there are two sides to most questions and that the other fellow's opinion is entitled to consideration. The chief difficulty in the study of finance is its apparent simplicity. Unwary investigators are apt to conclude that they have mastered the subject before they have fairly begun it. Many well meaning people thus become doctrinaires and subsequently study not so much to ascertain facts as to construct arguments in support of their own theories and in denunciation of everything and everybody else. Some such people produce thunderstorms of rhetoric, full of flash and noise, but empty of the essence which clears the air and freshens the soil. Unbiased truth, thoroughly thought out, should be the paramount object in the study of finance.

THE EASIEST WAY.

Replying to Mayor Gaynor's strictures upon the futility of much of our public-school education, Principal Sullivan of the Boys' High School in Brooklyn says: "The trouble, Your Honor, is not with our teaching. It lies in the generally prevalent notion that an education may be obtained by stuffing; that no work on the part of a student is necessary in order to get an education, and that the minds of our young people will be injured by a little study."

"The moral embodied in these words," says the New York World, "runs to more things than public-school education. It is not in the school-house only that we as a people have become addicted to the habit of seeking the easiest way—shunning as far as possible every course that requires study or labor or any sort of mental or moral discipline. The evil trail can be seen through the whole of our political and our business life. We seek to solve serious economic problems by the easy process of enacting more legislation, instead of the strenuous process of enforcing the laws we have. We seek to 'boom business' by the self-same process of making more laws and granting more protection. Similar methods are practiced in the social world. We resort to them in every instance from movements to establish the welfare of the Nation to those designed to elevate the stage.

"Lord Bacon laid down the rule that in our studies we should select those things that please us most, because we then develop our talents, and also the things that displease us most, because then we discipline the mind. He insisted, furthermore, that the latter studies are the more important of the two. It would be well, to have these old truths recalled, revived and retaught. They should be put back not only into our public schools but into our national life."



INSTITUTE CHAPTERGRAMS

CHAPTERS AND CHAPTER OFFICERS.

Alabama.

BIRMINGHAM—President, Otto Mooney, Traders National Bank; Vice-President, R. A. L. Wilkes, First National Bank; Secretary, Frank Stevens, American Trust & Savings Bank; Treasurer, William Moore, Jefferson County Savings Bank.

MOBILE—President, W. J. Parham, Jr., Merchants Bank; Vice-President, P. G. Barnes, First National Bank; Secretary, W. O. Jarvis, City Bank and Trust Co.; Treasurer, E. L. Deasy, People's Bank.

MONTGOMERY—President, J. M. Baldwin, Alabama Bank & Trust Co.; Vice-President, George M. Powell, First National Bank; Secretary, Felix Robinson, First National Bank; Treasurer, James J. Campbell, Exchange National Bank.

Arizona.

PHOENIX—President, F. B. Thomas, Phoenix National Bank; Vice-President, R. B. Battin, Valley Bank; Secretary and Treasurer, James C. Blaine, Phoenix National Bank.

Arkansas.

FORT SMITH—President, E. Peninger, Merchants National Bank; Vice-President, Geo. P. Otte, First National Bank; Secretary and Treasurer, C. B. Herbert, First National Bank.

LITTLE ROCK—President, T. W. Kirkwood, Bank of Commerce; Vice-President, George B. Gill, State National Bank; Secretary, P. D. Scott, Jr., Southern Trust Co.; Treasurer, R. L. Bradley, Bank of Commerce.

California.

LOS ANGELES—President, Don W. Carlton, 406 Story Bldg.; Vice-President, George S. Greene, First National Bank; Secretary, W. G. Mohr, 504 Exchange Bldg.; Treasurer, W. H. Thomson, First National Bank, Pasadena.

OAKLAND—President, Golden L. Downing, Oakland Bank of Savings Bldg.; Vice-President, Lester H. Heacock, Security Bank & Trust Co.; Secretary, Geo. W. Ludlow, Oakland Bank of Savings; Treasurer, J. Ernest Smith, Union Savings Bank.

SAN FRANCISCO—President, Wm. A. Day, Savings Union Bank; Vice-President, T. G. Spillane, Bank of California; Secretary, Wm. A. Marcus, Savings Union Bank; Treasurer, M. R. Clark, First Federal Trust Co.

Colorado.

DENVER—President, M. E. Weston, Federal National Bank; Vice-President, P. A. Simpson, Capital National Bank; Secretary, B. B. Aley, U. S. National Bank; Treasurer, J. C. McElherren, Denver Stock Yards Bank.

Connecticut.

HARTFORD—President, S. G. Pierce, National Exchange Bank; Vice-President, W. C. Goeben, Hornblower & Weeks; Secretary, Wm. J. Reid, Charter Oak National Bank; Treasurer, A. C. Mason, State Bank.

Cuba.

HAVANA—President, H. Olavarria, Banco Nacional de Cuba; Vice-President, W. H. Morales, Banco Nacional de Cuba; Secretary, Radolfo Padro, Banco Nacional de Cuba; Treasurer, Guillermo Ruz, Banco Nacional de Cuba.

District of Columbia.

WASHINGTON—President, Joshua Evans, Jr., Riggs National Bank; Vice-President, Ernest E. Herrell, National Capital Bank; Secretary, Frank V. Grayson, American National Bank; Treasurer, Charles H. Doing, Washington Loan & Trust Company.

Georgia.

ATLANTA—President, Smith Witham, American National Bank; Vice-President, Reid Fulkman, Guarantee Trust & Banking Co.; Secretary, G. C. McWhirter, Fulton National Bank; Treasurer, E. H. Bee, Third National Bank.

MACON—President, R. T. Pearce, Fourth National Bank; Secretary and Treasurer, Ben F. Malone, Macon Clearing House.

SAVANNAH—President, R. J. Taylor, Citizens & Southern Bank; Vice-President, C. E. Stanton, Jr., National Bank of Savannah; Secretary and Treasurer, Louis R. Roth; Assistant Secretary, H. W. Johansen, Commercial Bank.

Illinois.

CHICAGO—President, Harry S. Smale, Continental & Commercial National Bank; Vice-President, Walter L. Johnson, National Bank of the Republic; Secretary, Thomas J. Nugent, First National Bank; Treasurer, John H. Grier, Merchants Loan & Trust Co.

MOLINE—President, C. E. Bold, Peoples Savings Bank & Trust Co.; Vice-President, O. T. Bohman, Moline Trust & Savings Bank; Secretary, A. E. Peterson, Moline Trust & Savings Bank; Treasurer, O. W. Swenson, State Savings Bank & Trust Co.

Indiana.

FORT WAYNE—President, E. F. Scheumann, First National Bank; Vice-President, Amos Richey, Old National Bank; Secretary, Lester Baade, Hamilton National Bank; Treasurer, E. A. Bittler, Peoples Trust & Savings Bank.

INDIANAPOLIS—President, Lee H. Macy, Continental National Bank; Vice-President, Arlie Riggsby, German American Trust Co.; Secretary and

Treasurer, Thos. Richards, Continental National Bank.

TERRE HAUTE—President, W. S. Pearce, First National Bank; Vice-President, Charles Paddock; McKean National Bank; Secretary, J. L. Thompson, Indiana State Bank; Treasurer, H. Voges, Terre Haute National Bank.

Kentucky.

LOUISVILLE—President, Joseph H. Mershon, Union National Bank; Vice-President, W. J. Warren, Citizens National Bank; Secretary, C. Davidson, Columbia Trust Company; Treasurer, J. W. Pritchard, Union National Bank.

OWENSBORO—President, W. C. Stuart, National Deposit Bank; Vice-President, Marwin May, National Deposit Bank; Secretary and Treasurer, C. W. Lyddane, Owensboro Banking Company.

Louisiana.

NEW ORLEANS—President, Irwin L. Bourgeois, Hibernia Bank & Trust Co.; Vice-President, E. A. Saucier, German American National Bank; Secretary, John Dane, Hibernia Bank & Trust Company; Treasurer, Robert E. Byrne, Canal Louisiana Bank & Trust Company.

SHREVEPORT—President, C. G. Rives, Jr., First National Bank; Vice-President, R. Billin, First National Bank; Secretary, O. F. Simmons, First National Bank; Treasurer, Patton Hawkins, First National Bank.

Maine.

BANGOR—President, Porter W. Moulton, Merrill Trust Company; Vice-President, Arthur A. Smith, Merrill Trust Company; Secretary, Eugene M. Dole, Second National Bank; Treasurer, Arthur W. Kendall, Eastern Trust & Banking Company.

PORTLAND—President, Harry S. Boyd, Chapman National Bank; Vice-President, Lynedon P. Noble, Portland Savings Bank; Secretary, Wallace L. Cook, U. S. Trust Company; Treasurer, J. B. Crist, Fidelity Trust Co.

Maryland.

BALTIMORE—President, Clifton K. Wells, First National Bank; Vice-President, Carl E. Wagner, Western National Bank; Secretary, Charles H. Mueller, Maryland National Bank; Treasurer, John Broening, German Bank.

Massachusetts.

BOSTON—President, Charles T. Conway, Old Colony Trust Company; Vice-President, Robert H. Bean, National Union Bank; Secretary, Randall A. Whittier, National Shawmut Bank; Treasurer, Wm. T. Killoren, American Trust Company.

SPRINGFIELD—President, Fred. H. Tilton, Third National Bank; Vice-President, Raymond H. Flagg, Springfield Safe Deposit & Trust Company; Secretary, Alfred H. Hastings, Springfield Institute of Savings; Treasurer, George C. Stebbins, Third National Bank.

Michigan.

DETROIT—President, Irving H. Baker, First National Bank; Vice-President, C. L. Cross, Union Trust Company; Secretary, Hugh McClelland, Jr., Peoples State Bank; Treasurer, Allen S. McKenney, First National Bank.

GRAND RAPIDS—President, Robert Y. Speir, Old National Bank; Vice-President, A. M. Godwin, Grand Rapids Savings Bank; Secretary and Treasurer, R. M. Bremer, Grand Rapids National City Bank.

Minnesota.

DULUTH—President, C. J. Grogan, Northern National Bank; Vice-President, A. W. Taylor, City National Bank; Secretary, John L. Evans, First National Bank; Treasurer, John R. Wells, First National Bank.

MINNEAPOLIS—President, John G. MacLean, Security National Bank; Vice-President, George G. Struthers, Union State Bank; Secretary, Joseph J. Cameron, Northwestern National Bank; Treasurer, Charles I. Norman, Stevens, Chapman Company.

ST. PAUL—President, Robert W. Lindeke, National German American Bank; Vice-President, E. O. Nordstrom, Merchants National Bank; Secretary, Owen E. Thomas, Capital National Bank; Treasurer, Walter Honebrink, First National Bank.

Missouri.

KANSAS CITY—President, G. G. Moore, New England National Bank; Vice-President, D. A. McDonald, Fidelity Trust Company; Secretary, A. B. Eisenhower, Southwest National Bank; Treasurer, P. A. Adams, Title & Savings Bank.

ST. LOUIS—President, Frank C. Ball, Mississippi Valley Trust Co.; Vice-President, F. J. Mutschler, Franklin Bank; Secretary and Treasurer, J. E. Uhrig, St. Louis Union Trust Company.

Montana.

HELENA—President, L. H. Booker, National Bank of Montana; Vice-President, W. T. Baker, Union Bank & Trust Company; Secretary, E. C. Schuyler, Union Bank & Trust Company; Treasurer, G. L. Peterson, Union Bank & Trust Company.

Nebraska.

OMAHA—President, A. E. Anderson, Conservative Savings & Loan Association; Vice-President, J. B. Owen, South Omaha National Bank; Secretary, Stanton C. Sherman, Omaha National Bank; Treasurer, M. E. Larson, First National Bank.

Nevada.

RENO—President, John W. Wright, Washoe County Bank; Vice-President, P. L. Nelson, Nixon National Bank; Secretary, J. W. Davies, Nixon National Bank; Treasurer, J. B. O'Sullivan, Scheeline Banking & Trust Company.

New York.

BUFFALO—President, George P. McPhall, Fidelity Trust Company; Vice-President, H. G. Struif, Manufacturers & Traders National Bank; Secretary, James Rattray, Bank of Buffalo; Treasurer, Victor L. Reisch, German American Bank.

NEW YORK CITY—President, V. A. Lersner, Williamsburg Savings Bank, Brooklyn; Vice-President, C. W. Cary, Metropolitan Trust Company; Secretary, W. H. Kniffin, Jr., Home Savings Bank; Brooklyn; Treasurer, H. M. Baldwin, Title Guarantee & Trust Company.

ROCHESTER—President, John Henderson, Jr., Lincoln National Bank; Vice-President, Edward P. Vollertsen, Fidelity Trust Company; Secretary, C. F.

Rothmeyer, Lincoln National Bank; Treasurer, Wm. D. Niven, Rochester Savings Bank.

Ohio.

CINCINNATI—President, John P. H. Brewster, German National Bank; Vice-President, George C. Bauer, Union Savings Bank & Trust Company; Secretary, George Schraffenberger, Jr., German National Bank; Treasurer, J. Edward Sohn, Jr., German National Bank.

CLEVELAND—President, L. J. Kaufman, Guardian Savings & Trust Company; Vice-President, Charles F. Thie, Jr., Citizens Savings & Trust Company; Secretary, C. W. Stansbury, Garfield Savings Bank Company; Treasurer, B. S. Chamberlin, Citizens Savings & Trust Company.

TOLEDO—President, Stacy McNary, First National Bank; Vice-President, Henry Niehaus, Second National Bank; Secretary, Harry E. Gail, Home Savings Bank Company; Treasurer, John Landgraf, Ohio Savings & Trust Company.

Oregon.

PORTLAND—President, A. R. Stringer, Jr., First National Bank; Vice-President, E. F. Sims, U. S. National Bank; Secretary, E. L. McCabe, Lumbermen's National Bank; Treasurer, Walter Brown, Merchants Savings & Trust Co.

Pennsylvania.

PHILADELPHIA—President, John C. Frankland, Franklin National Bank; Vice-President, David Craig, First National Bank; Secretary, Charles B. Engle, Pennsylvania Company, 517 Chestnut street; Treasurer, Walter T. Pratt, Security Trust Company, Camden, N. J.

PITTSBURGH—President, Harry E. Hebrank, Union National Bank; Vice-President, A. W. Schreiber, Carnegie National Bank; Secretary, B. O. Hill, Second National Bank; Treasurer, A. P. Martin, Terminal Trust Company.

SCRANTON—President, John Benfield, First National Bank, Pittston; Vice-President, W. B. Kramer, Lackawanna Trust & Safe Deposit Company; Secretary, Frank A. Loro, Miners Savings Bank, Pittston; Treasurer, Alfred E. Breen, Traders National Bank.

WILKES-BARRE—President, Wm. J. Ruff, Luzerne County National Bank; Vice-President, R. H. Mitchell, Miners Savings Bank; Secretary & Treasurer, S. Oscar Boughner, Anthracite Savings Bank.

Rhode Island.

PROVIDENCE—Wm. McCulloch, Industrial Trust Company, Pawtucket; Vice-President, Alfred M. Mitchell, Industrial Trust Company; Secretary, George H. Manchester, Mechanics National Bank; Treasurer, J. Harry Marshall, Rhode Island Hospital Trust Company.

Tennessee.

CHATTANOOGA—President, A. M. Dickerson, Chattanooga Savings Bank; Vice-President, E. B. Shadden, Citizens National Bank; Secretary, H. D. Wallin, Southern Express Company; Treasurer, L. H. Potter, Chattanooga Savings Bank.

KNOXVILLE—President, D. Carey Bordon, Holston National Bank; Vice-President, C. H. Edmonds, City National Bank; Secretary, Hugh L. Vance, E. Tennessee National Bank; Treasurer, John C. Bordon, E. Tennessee National Bank.

MEMPHIS—President, M. B. Tapp, First National Bank; Vice-President, Herman Alperin, Commercial Trust & Savings Bank; Secretary, Lawrence C. Humes, First National Bank; Treasurer, P. J. Kent, Williamson Trust Company.

NASHVILLE—President, T. J. Broderick, First National Bank Company; Vice-President, V. J. Alexander, Cumberland Valley National Bank; Secretary, J. W. Miller, First National Bank; Treasurer, W. M. Anderson.

Texas.

DALLAS—President, Forest Mathis, Commonwealth National Bank; Vice-President, Slim T. Lake, National Bank of Commerce; Secretary, C. T. Dean, First State Bank; Treasurer, Grady Burlew, City National Bank.

FORT WORTH—President, S. P. Berry, State National Bank; Vice-President, W. M. Massie, Fort Worth National Bank; Secretary, Raymond C. Gee, Fort Worth National Bank; Treasurer, C. W. Clarkson, Continental Bank & Trust Company.

TEXARKANA—President, Wm. McKinney, Merchants & Planters Bank; Vice-President, Melvin King, City National Bank; Secretary, Hiram McCurry, Texarkana National Bank; Treasurer, Seth Hastings, State National Bank.

Utah.

SALT LAKE CITY—President, Royal C. Barnes, Deseret National Bank; Vice-President, Fred. Rich, Utah National Bank; Secretary, J. C. Goodwin, Continental National Bank; Treasurer, J. E. Kjar, Utah Commercial & Savings Bank.

Virginia.

RICHMOND—President, S. P. Ryland, First National Bank; Vice-President, G. H. Bates, National Bank of Virginia; Secretary, John S. Haw, First National Bank; Treasurer, E. A. Leake, National Bank of Virginia.

Washington.

SEATTLE—President, E. G. Norris, Scandinavian American Bank; Vice-President, Joseph C. Glass, Bank of California; Secretary, Harry Colwell, Northern Bank & Trust Company; Treasurer, Lester R. McCash, American Savings Bank & Trust Co.

SPOKANE—President, Joseph W. Bradley, Old National Bank; Vice-President, W. H. White, Spokane & Eastern Trust Company; Secretary, W. N. Baker, Northwest Loan & Trust Company; Treasurer, Thomas Roholt, Traders National Bank.

TACOMA—President, George E. Dixon, Fidelity Trust Company; Vice-President, (vacant); Secretary, Guy T. Pierce, National Bank of Commerce; Treasurer, H. Berg, Scandinavian American Bank.

Wisconsin.

EAU CLAIRE—President, H. M. Wollum, Eau Claire National Bank; Vice-President, O. E. Oien, Union National Bank; Secretary, E. J. Kuehl, Eau Claire National Bank; Treasurer, L. P. Shumway, Eau Claire National Bank.

MILWAUKEE—President, H. J. Dreher, Marshall & Ilsley Bank; Vice-President, A. G. Netter, Wisconsin National Bank; Secretary, J. H. Daggett, First National Bank; Treasurer, W. A. Kurtz, Germania National Bank.

OSHKOSH—President, B. Krippene, City National Bank; Vice-President, John Hollub, Commercial National Bank; Secretary, Herbert Witzel, New German American Bank; Treasurer, H. Winkler, Commercial National Bank.

BOSTON.

By Charles T. Conway.

AN examination, in Commercial Law was held by Prof. Williston, of Harvard Law School, on December 5th. Many members who attended Prof. Williston's course last winter for one or another reason did not take the examination held last June and the test December 5th was held in response to several requests from such members.

Seventeen of the twenty-three who took the examination passed, the following receiving "special commendation": L. B. Dean, Boston Safe Deposit & Trust Co.; A. B. Nash, Beacon Trust Co.; E. P. Upham, Jr., Boston Safe Deposit & Trust Co. Boston Chapter now has thirty-nine "one credit" men.

That great interest is taken by banking institutions of the city in our Banking and Finance course is demonstrated by the following prizes which have been offered:

BOSTON S. D. & TRUST CO.

To the Employees of the Boston Safe Deposit & Trust Company:

The course of lectures on Banking and Finance, which gives such splendid working knowledge of the principles pertaining to banking, should, I think, be attended this year by every young man connected with this Company who desires to fit himself for an advanced position in the banking and business world. It is a great opportunity.

The Directors of this Company desire to show their interest by offering for the 1911-1912 course money prizes as follows:

The man from this bank who passes in the best paper, in the judgment of the instructor who gives the examination, shall receive a prize of \$25.00; the man who turns in the second best paper is to receive a prize of \$10.00; and each man from this bank who is successful in passing the examination, according to the mark of the instructor holding the same, shall receive \$5.00 from the company.

C. E. ROGERSON, President.

OLD COLONY TRUST COMPANY.

To the Old Colony Trust Company Members of the Boston Chapter of the American Institute of Banking:

The broad scope of the educational work of the chapter, as laid out for the coming season under the direction of its President, our Mr. Conway, cannot but prove beneficial to all who participate therein.

It is exceedingly gratifying to the officers of the Trust Company that so large a number of its clerks are sufficiently interested to have become members of the chapter, and in recognition of such action on their part, and to encourage all in the putting forth of their best efforts, the Trust Company offers prizes to members of the chapter taking the official exam-

ination at the end of the season, as follows:

Two (2) prizes of \$25.00 each to our two clerks handing in the best papers.

Two (2) prizes of \$15.00 each to the two clerks handing in the next best papers.

Two (2) prizes of \$10.00 each to the two clerks handing in the fifth and sixth best papers.

The decision as to the respective winners to be rendered by the examining authority of the chapter.

PHILIP STOCKTON, President.

NATIONAL SHAWMUT BANK.

To the Shawmut Members of the Boston Chapter of the American Institute of Banking:

Believing that it is advantageous for the bank, as well as for the clerks of the bank, to accept the educational facilities offered by the Boston Chapter of the Institute, I have decided to make the following offer, in order to encourage the members to use their best efforts in the work:

Two (2) prizes of \$25.00 each to our two clerks handing in the best papers;

Two (2) prizes of \$15.00 each to the two clerks handing in the next best papers;

Two (2) prizes of \$10.00 each to the two clerks handing in the fifth and sixth best papers.

These prizes will be awarded according to the decision of the examining authority of the chapter.

(Signed) WILLIAM A. GASTON, President.

AMERICAN TRUST COMPANY.

To the Employees of the American Trust Company:

I would call your attention to the educational work of the Boston Chapter of the American Institute of Banking, and especially to the lectures on Banking and Finance, and urge the desirability of attending these lectures.

In order to encourage you to do so, the Executive Committee has decided to offer the following prizes:

To the man handing in the best paper, \$25.00;

To the one handing in the second best paper, \$20.00;

To the one handing in the third best paper, \$15.00;

To each one who passes the examination, \$5.00.

The decision in each case to be left to the examining authority of the chapter.

R. G. FESSENDEN, President.

NATIONAL UNION BANK.

To the Employees of the National Union Bank:

It is a source of much gratification to your officers that all eligible employees of the bank are members of the Boston Chapter of the "Institute," and that such an interest is taken by all in the educational courses now being conducted by the chapter.

In order that this interest may be further stimulated, the bank offers three prizes to its employees who pass the best examinations at the end of the present course, as follows:

A first prize of \$25.00 to the one passing the examination with the highest mark;

A second prize of \$15.00 to the one passing the examination with the second highest mark;

A third prize of \$10.00 to the one passing the examination with the third highest mark.

In case only three employees take the examination, only the first and second prizes will be awarded. In case only two employees take the examination, only the first prize will be awarded.

The marks given by the one in charge of the examination shall determine to whom prizes shall be awarded.

CHAS. P. BLINN, JR., Vice-President.

Arthur Adams, Assistant Treasurer of American Sugar Co., in charge of Boston office, has been elected Vice-President of New England Trust Co. Chas. B. Wiggin, first President of Boston Chapter and President of Brookline Trust Co., has been elected to succeed Mr. Adams as Assistant Treasurer of American Sugar Co., and F. Abbot Goodhue, of the First National Bank has been elected to succeed Mr. Wiggin as President of Brookline Trust Co. All are chapter members.

The chapter mourns the loss of two of its staunchest members in the death of Jos. J. Oldfield, Treasurer of American Trust Co., and Francis H. Burrage, Secretary of Lincoln Trust Co.

CHICAGO.

By R. M. Coleman.

THROUGH the perseverance and integrity on the part of the officers of the chapter, our efficient President, Harry Smale, announces close to a thousand members in the fold. The work in the chapter for the past two years has been retarded to a great extent by the consolidation of the large institutions, but this year Chicago comes back with an average attendance at the general meetings of about four hundred.

Early in November the chapter staged a show (of the musical comedy variety), at one of the leading show houses, a four night run, to a pleasing and enthusiastic audience, all of which was noted by the daily newspapers, who devoted much space to the chapter and its play.

The show brought to light talent in its various branches which the chapter hopes to use at its general meetings.

Geo. E. Allen made the chapter a visit: the latter part of November and gave us one of his straight talks.

With us the same evening was Harry Lee Taft, who addressed the chapter on "Farm Mortgages as Investments, the Technicalities Leading up to Same."

Following Mr. Taft, David Johnstone spoke of work pertaining to and in connection with the Receiving Tellers' Department.

R. D. Spaulding, the chapter's librarian, is kept on the jump trying to furnish books to the many borrowers and is daily purchasing some books on financial and economic subjects.

The second meeting of the Debate Society required the use of one of the larger halls. The meeting was attended by about fifty members, and was given the first of a series of drill talks in Parliamentary Law by Prof. Kline, of Columbia School of Expression.

The subject for debate was discussed but nothing

definite resulted, a committee was selected to deliberate over same to report at the next meeting.

CINCINNATI.

By A. De Witt Shockley.

CINCINNATI Chapter held its best and largest meeting of the present season on Tuesday evening, December 5th, in the Union Trust Co. parlors, with Hon. Judge H. D. Peck as the speaker. Mr. Guckenberger, in introducing Judge Peck, said that probably no one man in the country was as well known in bond and brokerage houses as the judge. His advice on legality of bond issues is accepted without question by all leading bond dealers of the country. Judge Peck, recently elected as delegate to the coming Ohio constitutional convention, gave a very able address on the general subject of constitutional conventions. He began by telling what a constitution really is, viz., the successor of the old charter, a framework by which the government is run, a written line of instructions to be followed in caring for the welfare of the people residing under its direct influence. "Way back in Revolutionary times, when the thirteen States decided to break away from England, each State had an original charter granted by the King, this naturally had to be done away with and our constitutions are simply outgrowths of these old charters. When the thirteen States finally decided to get together and form a federation and their delegates, under the guise of a constitutional convention, convened with the idea of forming a new constitution for the entire land, considerable difficulty was experienced in getting the various States to agree to terms. Each State was a little kingdom all to itself with tariff regulations between itself and its neighbor. This brought up a great deal of discussion. Then the smaller States felt they were getting the worst of it and held off for a long time regarding the number of Senators each State should have. Commerce played a big part in this convention and in the mind of the speaker has done more to advance the growth of civilization than any one other thing. Gladstone in speaking of our constitution as finally completed by this convention, said 'Undoubtedly the greatest piece of legislation ever done by man'—surely a tribute to our early citizens, who by the way, were shining lights in the march of this country toward progress and success. Ohio's first constitutional convention was held about 1802 in a log house in Chillicothe. The result of this convention brought Ohio into the Union as a State a year or so later. In 1851, by popular vote, the people of Ohio decided to elect a convention to revise this old constitution and later this convention met in Columbus and was then adjourned to Cincinnati. Their work was evidently pleasing as later this constitution was accepted by the people. Somehow the people of Ohio are always wanting their constitution revised. In 1871, again by popular vote, it was decided to call another constitutional convention to revise our constitution. This convention likewise met in Cincinnati, but unlike its predecessor of 1851 failed to please our great public, who later decisively voted against accepting its revision of the constitution.

What Ohio citizens wish changed in our constitution is mostly a matter of conjecture, but evidently something is wrong, for again just recently at our last election, it was decided by a large majority of popular votes to call a convention to revise the Ohio constitution. This convention, of which the speaker has the honor of being a member, will meet shortly in Columbus and begin its duties. In my mind, what the people want most of all, is a change in the matter of taxes. Of course, we never want to pay our taxes, no matter what they are—but I think the question of taxation has more to do with the wish of our people that the constitution be revised than anything else. Naturally the initiative and referendum will play some part, but in my judgment taxation is what the people want looked after. Hidden wealth, or rather untaxed wealth, should be given its proper place in the taxation records. Just how this can be done with justice to all must be solved later. I predict that this 1912 constitutional convention will have its hands full—as to whether our efforts will please the people of the commonwealth remains to be seen."

The Judge interspersed his talk with numerous stories about various convention members and their troubles, gave us historical facts of untold value, and by honoring us with his presence and address, furnished Cincinnati Chapter with one of the most delightful and instructive evenings in its history.

Our debate with Louisville is now more than a rumbling rumor. Committees are now working on plans which will probably bring this long talked of debate to a reality some time in February. The New Year opens auspiciously for Cincinnati Chapter.

CUBA.

By R. Padro.

DISCUSSION was had as to the progress and scope of chapter work during the winter, and it was resolved, to extend the benefits and influence to all eligible bank men of Havana as far as possible, and to make the same known through the President in such manner as he and the Executive Committee may deem advisable.

It was further resolved, to extend the congratulations of this chapter to the President, and other officers and members of the Executive Council for their election for the ensuing year, as well as the felicitations of Cuba Chapter to the Institute for the able management to which its affairs are again intrusted.

The speeches of Messrs. Vreeland, Murray and Cannon, published in the October Journal-Bulletin, were alluded to by Mr. Olavarria in their important bearing on the convention work, and that of Mr. Murray was read to the chapter and received with due applause.

At a recent meeting of Cuba Chapter President Olavarria made an interesting report regarding the Rochester convention.

Cuba Chapter now has a membership of 100.

DENVER.

By William O. Bird.

OUR activities have all been centered upon the minstrel show "Bankers in Burnt Cork," which was given at the Municipal Auditorium the evening of December 15th. Our show was a grand success in every way. It has since been pronounced the best amateur production ever given in Denver. The audience was very large and society was much in evidence in the boxes and parquette. The minstrel committee made a partial report at the December meeting which showed a net profit to the chapter of about \$1,650. With this sum in the treasury of the chapter we hope to be able to do great things in the future with our classes and in fitting up our room and adding to our library. Denver Chapter is planning a royal reception to the delegates visiting the Salt Lake convention, and we hope to have the pleasure of seeing all of our old Institute friends and many new faces as well.

At our December meeting we had the pleasure of listening to an extremely interesting and instructive address by Godfrey Schirmer, president of the German American Trust Company, on "Bank Publicity." Mr. Schirmer is a good friend of the chapter and very gracefully prefaced his address by wishing all of our members a Happy Christmas and expressing the hope that all who were far from home and friends would be so fortunate as to have the home of some friend open to them on that great day of "Good Will to Men."

Our class in banking and finance has completed its course of twelve lessons under Professor Duncan and the Educational committee is so pleased with the success of the class that they are making provision for some additional lectures by Professor Duncan.

A special committee has been given charge of our annual dance which will be held about the first of February.

The ways and means committee are planning for the annual adding machine contest for the Burroughs Cup which will be pulled off some time in January.

A prize essay contest is to be inaugurated shortly on some banking topic to be selected by either a committee from the Clearing House or by the educational committee.

Denver Chapter desires to extend to all of the other chapters the most hearty good wishes for their increased success during the coming new year, particularly along educational lines and we think that the watch-word of the city of Denver viz: "Forward" would be a good one for us all to adopt.

HELENA.

By H. C. Schuyler.

THE first meeting of the Helena Chapter was devoted to the discussion of the first paper of the Banking and Finance Course, which the Chapter has decided to study this year, and a very interesting discussion of the subject of "Wealth and Wants" made the evening a most enjoyable one. The different subjects will be taken up in the future meetings and we are hoping to find the lessons of great interest during the winter.

We are hoping, later in the season, to have some interesting lectures on different banking subjects which will prove of benefit to all the members.

NEW ORLEANS.

By John Dane.

WE are back to the old routine once more, and are pegging away at it pretty steadily, as the South this year has raised the largest crops in its history. After the holidays we resumed our labors on Commercial Law with the view to consummate just prior to "Mardi Gras." Our Educational Committee is already working out the plans for a class in "Banking and Finance" to succeed the "Law Course," and following the examination in the latter, we expect to start the new course at once.

At the special meeting held during the time of the past convention of the American Bankers Association, the views of the members on the question of allowing bank officials the privilege of holding active membership, were sounded by various speakers, and the sentiment being entirely favorable (and in recognition of the fact that our present by-laws need revision in other respects), the President has since been requested to appoint a committee to obtain data on the subject from other chapters, and to frame a tentative set of by-laws for the approval of the chapter.

An Adding Machine contest will feature our January meeting, and the New Year starts out quite propitiously.

NEW YORK.

By W. H. Kniffin, Jr.

THE first lap in New York Chapter's presumptuous race is ended, and we can now survey the situation as a whole and pass upon it in the light of history. The first noticeable characteristic is the general excellence of the lectures; these have been of such high order and uniformly so good that it is a pity they could not have been put in printed form for more careful perusal. This is demonstrated by the frequent requests for printed copies of the talks, and while it would be desirable to publish all such, it would be financially impossible. On the other hand, it simply puts a premium upon attendance, and the man who regrets that a good thing got by him has no one to blame but himself.

Our nights on practical banking have been practical in the highest degree; and as the writer has already stated in Chapter Notes, our greatest feat this year has been the discovery of men. It is astonishing to know that we have talent of rare ability which heretofore has not been given a chance. After all, chapter work is a development, and nothing develops a man quicker or more thoroughly than to put him before an audience, either to admit that he doesn't know his job well enough to talk about it for any length of time, or that he knows a great deal about it and can't talk at all. The latter state is preferable to the former, but we have discovered that we have men who not only know their job but can tell others about it, and in such a way as to cover themselves with glory.

The attendance has been good—perhaps better than we had any right to expect—and yet not so good as the conditions would warrant. We have lacked, to be sure, the enthusiasm of large crowds, but these were not expected; and it is a principle of pedagogy that more permanent good can be done by small classes and frequent meetings than large crowds and less frequent gatherings.

The feeling of satisfaction that comes to every man when he has a home of his own has been our experience, and as little touches are given here and there to make the place complete, we wonder how we ever got along without it; but if this becomes a permanent affair, we must demonstrate to the banking world that our gratitude is deeper than our words, and that we appreciate good things to the point of using them to the utmost.

Our law lectures have been along new lines and here also we have discovered men, and Mr. McBaron and Mr. Chapin have both proven admirable instructors, and we shall no doubt be able to use them for some time to come.

The attendance has been over six thousand in the three months, a rather commendable showing, and a limited few of the men have established records for themselves in the steadiness of their attendance.

The program for the ensuing ten weeks is given herewith, and a perusal will show that it is a broad and comprehensive list which not only should invite but compel the attention of every man in the chapter; here are many things which are too good to miss, not the least of which is the course by Dr. Meding. Those who have heard the doctor need but the mention of his name as a guarantee that these lectures will be extremely interesting and full of wholesome information.

Program of lectures, New York Chapter:

January 5. The Credit Department. Ernest W. Davenport, A. C., Fourth National Bank. (See special card giving details.)

January 8. English Class. Prof. Drury.

January 9. The Credit Department. O. A. Glazebrook, Jr., Union Exchange National Bank.

January 10. Board of Governors' dinner to Jas. G. Cannon.

January 11. Bailments. H. G. Chapin. (See special card giving details.)

January 12. Credit Investigation. Ernest W. Davenport.

January 15. English Class. Prof. Drury.

January 16. Audits, Examinations. J. A. Broderick, State Banking Department.

January 17. To be announced.

January 18. Bailments. Mr. Chapin.

January 19. Discounts. Loans to customers. Mr. Davenport.

January 22. English Class. Prof. Drury.

January 23. Branch Banking. E. H. Ensell, National City Bank.

January 24. The Law of Joint Tenancy. Frank W. Avery, of Phillips & Avery, Attorneys, 41 Park Row. (Savings Bank and Trust Company Night.)

January 25. Bailments. Mr. Chapin.

January 26. Commercial Paper. Mr. Davenport.

January 29. English Class. Prof. Drury.

January 30. Officers, Directors, Investments. William Reed, Assistant Cashier National City Bank.
January 31. To be announced.

February 1. Form and Characteristics of Negotiable Instruments. Prof. L. J. Tompkins. (See Thursday Night Law Course Special Card.)

February 2. The Chapter Forum. Prof. Chas. A. Greene, Brooklyn Polytechnic. (See Special Card.)

February 3. English Class. Prof. Drury.

February 6. "The House Beautiful" and "The I Therein." Dr. C. B. Meding.

February 7. Forgery, Care in Payment. F. N. Van Zandt, of the New York Bar. (Savings Bank & Trust Co. Night.)

February 8. Banquet at Hotel Astor.

February 9. No meeting.

February 12. English Class. Prof. Drury.

February 13. No meeting. (Dr. Meding's second lecture to-morrow night.)

February 14. Hygiene and "The Place Where." Dr. Meding.

February 15. Acceptance of Bills of Exchange. Prof. Tompkins.

February 16. The Chapter Forum. Prof. Greene.

February 19. English Class. Prof. Drury.

February 20. "The Air Breathed" and "My Food." Dr. Meding.

February 21. The Law of Real Property. Walter Lindner, Title Guarantees & Trust So. (Savings Bank & Trust Co. Night.)

February 22. No meeting. Washington's Birthday.

February 23. The Chapter Forum. Prof. Greene.

February 26. English Class. Prof. Drury.

February 27. "My Clothes," and "The Work I Do." Dr. Meding.

February 28. The Law of Real Property. Mr. Lindner. (Savings Bank & Trust Co. Night.)

February 29. Indorsements. Prof. Tompkins.

March 1. The Chapter Forum. Prof. Greene.

March 4. English Class. Prof. Drury.

March 5. "The Play I Choose" and "Sex and Sensuality." Dr. Meding.

March 6. Surrogates Practice. Hon. H. T. Ketcham, Surrogate, Kings County. (Savings Bank & Trust Co. Night.)

March 7. Liability and Rights of Parties. Prof. Tompkins.

March 8. The Chapter Forum. Prof. Greene.

March 11. English Class. Prof. Drury.

March 12. Surrogates Practice. Mr. Ketcham. (Savings Bank & Trust Co. Night.)

March 13. "My Thoughts" and "The Spirit that Ruleth." Dr. Meding.

March 14. Transfer of Negotiable Trust. Prof. Tompkins.

March 15. The Chapter Forum. Prof. Greene.

The banquet—our largest social function—bids fair to exceed all others, judging from returns to date, and we are practically assured of a thousand men on the floor and half as many women in the balconies. Notable speakers are being engaged and everything points to a thoroughly enjoyable evening. It is hoped that a large proportion of chapter men will attend this dinner; it falls in its purpose if the attendance largely represents bank officers who are

allied with the chapter but indirectly, and the memories of such a gathering are well worth the price.

In recognition of the long and friendly interest taken by James G. Cannon in the affairs of the chapter, the Board of Governors will tender him a testimonial dinner on the evening of January 10th in order that they may say a few kind words to him and about him for the help and inspiration he has given all these years.

PHILADELPHIA.

Knox for the Executive Council.

AT the regular December meeting Philadelphia Chapter unanimously adopted a resolution endorsing John C. Knox, of the Bank of North America, as a candidate for the Executive Council, American Institute of Banking.

Mr. Knox is a graduate of the Institute, and has served this chapter faithfully and efficiently as a Governor for eight years, as Chairman of the Debate Committee and as President. His administration was a record of achievement. Under him the first Institute Study Course was successfully installed and the Institute Debating League of Pennsylvania was organized. During his term and as the result of his initiative, the Pennsylvania Bankers Association presented the League with a permanent trophy and admitted Institute Chapters to full membership. He has thus demonstrated his executive ability and exemplified the confidence of his superior officers.

In presenting the name of John C. Knox, Philadelphia Chapter enjoys the assurance that as a member of the Council, he would continue his effective work to the benefit of the National organization. All chapters believing that education is the primary object of the Institute and advancement through merit its ideal are cordially invited to support Mr. Knox's candidacy.

Freas Brown Snyder,
Antrim H. Jones,
Frank C. Eves,
Eugene J. Morris,
William S. Evans,
David J. Myers,
John C. Frankland, Chairman.
Committee.

By Thomas W. Smith.

AS this is written, everyone is looking forward with pleasure to the New Year and the good things it is sure to bring forth, so far as concerns the activities of our chapter. That's the way everyone feels, at any rate, and one cannot wonder at it, because there is a deep feeling of satisfaction at the way "the boat has been handled" since President John C. Frankland has become its "skipper." He seems to know the weather signs and channel just as well as skippers of former times and so our boat is still forging ahead as it has been these last ten years or so. It might be appropriate here to say that a recent event of great interest to members of Philadelphia Chapter has been the election of Mr. Frankland as Assistant Cashier of the Franklin Na-

tional Bank, with which bank he has been associated for the last four years. Mr. Frankland is a graduate of Dickinson College, an earnest supporter of Institute ideals and his interest in chapter educational work is shown by his past efforts and the fact that he is now working for the Institute certificate. We are glad to announce this advancement of President Frankland, knowing that he is the calibre of man of which the Institute may well be proud.

Our ex-President, John C. Knox, has also been "shoved" into the lime-light recently by some of his many friends suggesting his name as a candidate for service on the Executive Council to be elected at Salt Lake City, and the chapter heartily concurring, especially as "John" is always strong on the "service" part of any contract, it is hoped he may be chosen when the time comes. While his bank work has always kept him a busy man, he has found time to contribute largely toward the progress of Philadelphia Chapter, and as President last year commanded the hearty support of all. He is an Institute graduate and stands for orthodox education at all times and under all circumstances.

His Christmas Present.

Wm. S. Evans, a chronic Philadelphia bachelor, asks the Bulletin to republish the following from the Index:

It is full of bows and ribbons, it is tied with yards of ribbons,
It is frilled and tucked and puckered, it is pleated, stitched and shirred,
And it scintillates and dangles with a pound or so of spangles,
And the middle of it's painted with a blossom and a bird.
Out of satin it is bullded, and of splints and wicker gilded.
And it's pink or blue or purple, which I really cannot say,
And it's got a little pocket, but it wouldn't hold a locket,
And it seems as if you hang it upside down or any way.
It is fanciful and fluffy, sweetly scented, soft and puffy,
And it's fringed around with tassels all of silver and of gold.
And it buttons up or laces in most unexpected places,
And it surely must have taken every bit of tinsel sold;
It's a beautiful plumdoodle, and it's cost a lot of boodle,
And it came this morning early from the maiden I adore.
But I wish my darling Mabel had affixed to it a label
And had kindly written on it what the blasted thing is for.

PITTSBURGH.

By Albert T. Eyder.

IF any member of Pittsburgh Chapter falls to become an expert on the Negotiable Instruments Act and at the same time, an effective debater and public speaker, he will have only himself to

blame. Pittsburgh bank men are to be congratulated upon the leaders the Institute officers have obtained for study classes. And more than a hundred of the wide-awake young bankers are making the most of the opportunity before them by studying and attending the meetings regularly. The lectures on the Act, conducted by Professor Conrad, are bristling with interest, for the professor is always very willing to discuss the legal side of any question arising in the daily routine of the members. His explanations are always clear and concise and congratulations to the officers and the educational committee are being heard on every side. The class in public speaking, conducted by Professor Kay is causing no less enthusiasm. It is held early in the evening before the Negotiable Instruments class, but in spite of this inconvenience the attendance has been large and regular. The professor has finished his preliminary lectures and the members themselves are performing now. The practice obtained in this class will probably be of inestimable value to the men in later years, and all our members are urged to attend. On Tuesday evening, December 19th, the question "Resolved, that an import tariff commission be established with power to adjust rates," was debated and decided by the judges in favor of the affirmative. Then Professor Kay threw the meeting open for general remarks and showed the class the weaknesses displayed by the various speakers, not only in their reasoning, but in their way of presenting their views. It was decided that for the next class meeting the subject, "Resolved, that national banks be prohibited from holding stock in other banks," should be discussed. Another warm discussion is anticipated.

On Friday evening, December 15th, the open meeting for the month was held. The speakers on this occasion were Hon. Wm. A. Prendergast, Comptroller of the City of New York, and Chas. E. Meek, Assistant Cashier of the Fourth National Bank, New York City, and member of New York Chapter. The subject of Mr. Prendergast's address was "Administrative Efficiency," and he handled it in grand form. Among other things said were "business methods should be installed in public affairs and that all public officials should hold their meetings in public and allow the public not only to attend, but to be heard as well." He said efficiency is demanded more and more, and that today the demand is becoming general and is needed in all lines of business.

Mr. Meek took for his subject "Why a bank should be a Fire Protectionist." He drew our attention to some every day affairs in a way that every one present took home some good thoughts. He said in part that banks will throw out all safe-guards for protection of moneys entrusted to them, and then carelessly leave rubbish lay around, inviting great loss by fire. He also cited a truth known only too well to bank clerks, when he said that all summer suits put away with moth balls (and they all have them) will have their regular assignment of matches carefully stowed away in the pockets.

An orchestra of six pieces helped to liven things up.

The next meeting will be held January 9th, at which time the speakers will be Hon. Wm. H. Wil-



"HOTEL UTAH."

Headquarters for the American Institute of Banking Convention for 1912.

der, member of Congress from Fourth District, Massachusetts, and Enoch Raub, member of Pittsburgh Councilmanic Nine. The meetings this year are well attended and extra seats have been purchased to accommodate the crowds.

RICHMOND.

By John S. Haw.

RICHMOND Chapter was fortunate indeed in being able to secure the services of O. Howard Wolfe of New York, Secretary of the Clearing House Section of the American Bankers Association to address its December meeting on two very live subjects which are occupying the attention of bank men the country over.

Mr. Wolfe spoke on "The Universal Numerical System of Transit Numbers and Clearing Houses for Country Items." These subjects are of vital interest to every bank in that the consummation of the plans as outlined by the American Bankers Association, means that transit items will be much more expeditiously handled and that there will be a great reduction in the cost of handling them.

Mr. Wolfe gave a clear exposition of both of his

subjects and his audience which included many of the bank officers, listened with intense interest.

The speaker was given a rising vote of thanks for his very able presentation of the subject and the chapter went on record as heartily favoring both the Numerical Transit System and the plan of collecting country items through the Clearing House.

Richmond Chapter promises to do what it can to further the adoption of these improved transit methods and expresses a willingness to co-operate with the Clearing House Association in anything it may do to further them.

SALT LAKE.

By G. O. Goodwin.

THE work of our chapter for the coming year is now well under way. The meeting held October 19th in our permanent quarters at the Commercial Club was marked by a large attendance and a lively interest in the work. At this meeting the resignation of President R. Q. Cannon was read and accepted. Mr. Cannon felt forced to take this action, not so much owing to the fact that he had been recently married and had therefore, taken on himself more serious responsibilities, but on account of

the fact that his personal business required so much time that he felt that he would be unable to give the time to the work of the chapter which he felt was required. Resolutions were adopted showing our high regard for Mr. Cannon and expressing regret that he felt compelled to sever his connections as head of the Salt Lake Chapter.

R. C. Barnes of the Deseret National Bank, one of our most faithful and enthusiastic members was unanimously elected to the vacancy caused by Mr. Cannon's resignation and we feel sure the year's work will be carried to a successful end under his direction.

The course in Banking & Finance was outlined by Professor F. W. Kirkham whose services have been secured as instructor in this line of work and judging from the membership enrolled in this class the members intend to take full advantage of the opportunity offered.

A resolution of condolence was adopted on the death of C. D. Burlingame a young and active member of the chapter.

Messrs. Q. B. Kelly, S. G. Saville and R. C. Barnes are the members of the committee, which co-operating with the Executive Committee, will have general supervision of the plans for the coming annual convention to be held in this city next year.

"Clearing House Examinations" was the subject of a timely and interesting paper read by J. A. Malla of the National Copper Bank. Mr. Malla related some personal experiences of a humorous nature dealing with old system examinations in Nevada. His paper showed the effectiveness of the new system.

A letter received from Raymond B. Cox, National President of the Institute announced that Q. B. Kelly had been appointed to act in conjunction with H. J. Dreher of Milwaukee, Chairman, W. O. Bird of Denver and W. A. Day of San Francisco as the committee on program for the National Convention to be held in this city next year.

President Barnes has appointed the following committee to arrange details for putting on a minstrel show in the near future, C. C. Neslen, Chairman, S. G. Saville, Q. B. Kelly, W. H. Tibballs, Jr. and G. O. Goodwin.

SAN FRANCISCO.

By Wm. A. Marcus.

THERE is no denying that a formal dance given by a chapter of Institute men can be productive of more enjoyment and arouse a spirit of interest that might otherwise be lacking. And the Annual Ball of the San Francisco Chapter held on Tuesday evening, December 12th, at the Fairmont Hotel, could not have met with more approval or better success. One hundred and sixty couples donned their glad rags for the occasion and passed a pleasant evening.

On Tuesday evening, November 28th, C. W. Wilson, Manager of the International Banking Corporation, gave an address on "Commercial Bank Credits" and Harry Choyinski, Assistant Cashier of the

Anglo and London Paris National Bank, read a paper on "Foreign Exchange," both of which proved of exceptional interest.

It is gratifying to note the increased attendance at our meetings, over eighty members appearing at the evening lectures, while the Law class maintains its average of twenty-five or thirty.

Robert W. Harrison has completed his course on law contracts and will now lead a class in Commercial and Banking Law, as set forth in the report of the Executive Council at the Rochester Convention.

SCRANTON.

By Frank A. Loro.

ANOTHER bomb was exploded in the direction of "Scranton for 1913" when President Benfield appointed a committee on Conventions to thoroughly advertise Scranton for the convention following Salt Lake City, and though there are five chapters out for the convention in 1913, Scranton's boys are undaunted and will make a strenuous effort to have the delegates assemble in the Electric City. The committee comprises N. S. Swisher, J. D. D. Gladding, E. R. Kretzner, Walter B. Kramer and E. A. Fitzpatrick.

A regular meeting of the chapter was held in the Y. M. C. A. parlors on the evening of November 28th, with a goodly number in attendance, who heard talks on banking in several of its phases by men that are experts in this line. J. Edward Weisenfluh, of the firm Brooks & Co., Bankers, addressed the meeting on "Local Securities and Their Value as Collateral." William H. Peck, President of the Third National Bank, urged the chapter members to avail themselves of the opportunities afforded by the Institute along educational lines. B. W. Bevans, Cashier of the Luzerne County National Bank, Wilkes-Barre, Pa., who was a delegate to the New Orleans Convention of the American Bankers Association, gave an interesting account of the sessions and of the work accomplished by the delegates. L. A. Howell, formerly of the Lackawanna Trust and Safe Deposit Co. and a former President of Scranton Chapter, recently elevated to official position, as Cashier of the Honesdale National Bank, also delivered an impressive speech on "Institute Education." After the business of the evening had been dispensed with, a lunch was served which together with a musical programme terminated a most interesting meeting.

E. A. Fitzpatrick has resigned his position in the Miners' Savings Bank of Pittston to engage in business with his father. For the past year Mr. Fitzpatrick has been contemplating retiring from the banking business and last summer sent his resignation to the board of trustees of the bank. It was not accepted, and Mr. Fitzpatrick continued his services till now. For the past ten years Mr. Fitzpatrick has been very active as a member of the Scranton Chapter of the American Institute of Banking and has been signally honored on several occasions by serving as the chapter's delegate to the various national conventions held in the large cities of the United States. At Providence in 1908, Mr. Fitzpatrick

was elected national treasurer of the American Institute of Banking which was a fitting honor to come to Scranton Chapter and Mr. Fitzpatrick for the interest taken by both in the institute. The future plans of Mr. Fitzpatrick are to take a short, well-earned vacation, then to become assistant to his father, James Fitzpatrick, Sr., in looking after the extensive real estate holdings and other lines in which the latter is interested. Mr. Fitzpatrick said he was reluctant to tear away from the bank, its officers, employees and large list of customers, after such long and pleasant relations, but felt the change was best for him at this time.

SEATTLE.

By Ross MacDonald.

S EATTLE Chapter seems to be getting its stride. As the days grow shorter, interest in chapter work increases. The study class meets regularly every Tuesday evening and the attendance thus far manifests that the members who have signed up for the educational work are all possessed of that admirable quality which, for the lack of an appropriate synonym, has been called stick-to-it-tiveness. The introductory lessons dealing in elementary Economics, have at times proved rather hard of assimilation; but we look for happier times shortly, when we work into the details of practical banking. It is our plan that in addition to the regular instructor, as we come to the lessons concerning the departmental activities of a bank, there will be present some local bank officer or other recognized authority, who is a specialist in the department discussed. He will assist in the lectures and conduct the quiz.

The new club rooms are constantly increasing in popularity as a spot to while away the idle hour which even the busiest of men occasionally has. The furniture is all installed now, and we feel as proud of our home as a runner does of his first raise in pay.

On December 19th at the stated monthly meeting, in addition to a large amount of detail business transacted, our entertainment committee did nobly once more in their part of the meeting. "The Currency Quartette" consisting of Wendell Phillips, First National Bank, James Valentine, Scandinavian American Bank, C. W. More, Seattle National Bank, and our irrepressible president E. G. Norris of the Scandinavian American Bank, made its first bow to an expectant public, and scored a three encore hit. All its members possess well trained and melodious voices and it is more than likely the chapter will have to loan this quartette frequently to other organizations not so fortunate vocally. Grant Merrill played a piano solo and did it so well he had to play another. The address of the evening was given by C. E. Vilas, Assayer-in-Charge of the Seattle United States Assay Office. Mr. Vilas is an international authority in his profession and an extremely interesting talker. He described the whole process from the time the bar-gold or the dust is received from the miner or the banks at the window until the time it is stamped by the government as bullion and shipped to the mints to be made into gold coin. At the conclusion of his address Mr. Vilas was tendered a rising and unanimous vote of thanks by the chapter.

Recognizing the truth of the old adage about Jack and a dull boy we do not intend to have the study class occupy our entire chapter activity. It is planned to have a debate on the Aldrich proposed monetary legislation at the next meeting, and an adding machine and money counting contest will shortly follow. If the demand justifies it the chapter will also give a series of informal dances at intervals during the winter.

SPOKANE.

By W. N. Baker.

S POKANE Chapter is still on the job. Our meeting of November 8th was the best attended of the year and was featured by an illustrated lecture on Business Systems by Gordon N. Johnson, and music by Mr. Killmer and the A. I. B. Comedy Four.

The opening meeting of December 6th had as its star attraction an address by Judge Moye Wicks on "Irrigation." It was a masterly effort and those who were so fortunate as to be present agreed that no more eloquent or instructive lecture had ever been delivered before the chapter.

An impromptu discussion on the subject of "Formal or Informal Chapter Dances" was productive of some very startling arguments on either side and created a rather hilarious half-hour. The "Stand-patters," those favoring the informal parties, led by Messrs. Kesler, Smith, Bally, Anderson and Prestrud proved to have the better staying powers and gained the decision on points over Messrs. Russell, White, Baker and others representing the "Progressives."

F. M. March, President of the National Bank of Commerce, and Arthur Truax, formerly a member of the Seattle Chapter, were called upon and responded briefly. Piano numbers by "Professor" Otto Allgaler added greatly to the enjoyment of the evening.

The study class in "Banking and Finance" is meeting regularly every Wednesday night, and the attendance has averaged between twenty-five and thirty throughout the season. The total enrollment is fifty-four.

The first chapter dance of the season was held November 15th, in the Temple Terpsichore with about eighty couples in attendance. Music was furnished by a seven piece orchestra. The next dance will be given in the latter part of January.

Our first "annual" theatre party took place on the night of December 12th at the American Theatre, "The Little Minister," presented by the Shirley players, being the attraction. The boxes were appropriately decorated and the A. I. B. Emblem was prominently displayed at the right of the stage. All the boxes were occupied by representatives from the different banks and their guests. W. J. Schiesl, of the Spokane & Eastern Trust Company, kept the crowd in an uproar during the intermission between the first and second acts, with a "blackface" monologue full of local hits on the prominent bank men of the city. W. H. White, T. H. Keown and W. E. Tollenaar, who had charge of the arrangements for the evening are to be heartily congratulated upon the thoroughness with which their work was completed. The affair was an unqualified success in every way and netted the chapter treasury a neat sum.

WASHINGTON.

By Harry V. Haynes.

THAT the educational work which Washington Chapter is carrying on is becoming widely known in the community and is appreciated, and that the bankers of Washington realize that the chapter will, at the present rate of development, require facilities for expansion, are matters of which there can now be no doubt. At a recent dinner of the District of Columbia Bankers Association and the Washington Stock Exchange, George W. White, President of the National Metropolitan Bank of Washington, who was a former President of the local chapter, spoke of the need of a joint home for the Stock Exchange, the Clearing House, the Bankers' Association and Washington Chapter. The suggestion was heartily endorsed by the bankers generally and particularly by the presidents of the four institutions. While no definite action has so far been taken, the renting of quarters in one of two new buildings now in course of erection is under discussion. The uniting of the four institutions under one roof would be a desirable and economical step, and from the viewpoint of the chapter would bring us in even closer touch with the banking officials whose interest in our work we seek. The plan, if adopted, would be a solution of the difficulty in which we have lately found ourselves by reason of having outgrown our present quarters, and would work out with absolutely no friction in that the use of the rooms would be required by the respective organizations at distinctly different times. Although the matter is yet in an embryo state, it is hoped that something definite may be decided upon in the near future.

The attendance at our weekly meetings is highly commendable and the work is going merrily on with no sign of lagging interest. On Wednesday, December 13, Samuel N. Hann, National Bank Examiner for the Baltimore and Washington district, addressed us on "Bank Examinations," going into the subject most thoroughly. This address was heard with marked attention by a number of bank officials and being entirely from a practical point of view, it was most interesting and instructive.

On December 21, Joshua Evans, Jr., President of the chapter, delivered an address on "Bank Accounting." This is a subject of which Mr. Evans is master and he drew upon his store of knowledge and elucidated its intricacies with the ease of a high school boy reciting the lessons prescribed for a primary school.

Here's hoping that the chapter may develop more masters and that as time goes on we may be enabled to draw freely upon our active membership in conducting our study classes.

The first smoker of the season was held on the evening of December 7, under the direction of the Entertainment Committee, of which Arthur M. Nyman is chairman. There was a large gathering and, notwithstanding we have had frequent smokers, the talent which Mr. Nyman's committee had gathered was entirely new. The program was of a high order and the evening was voted one of the most enjoyable the chapter had ever provided.

Preparations for the annual banquet to be held on February 10 are going on with a view to having a large assemblage upon that occasion. Many acceptances have already been received and the outlook for the success of the banquet is most encouraging.

CORRESPONDENCE INSTRUCTION.

American bankers are beginning to realize the utility of Institute correspondence instruction. In such work each student is supplied with serial lesson pamphlets and collateral exercises. The exercises in connection with each lesson are to be submitted to instructors whenever done. The work of students thus produced is corrected and returned with such criticisms and suggestions as may be helpful in each case. Average students get little benefit from books alone. What most of them need is a teacher to direct and encourage them. The usefulness of a teacher is not so much to impart specific information as to stimulate the ambition and interest of students and to systematize and verify their work. The correspondence method of study lacks the inspirations of social contact, but the personal relationship established between students and instructors stimulates ambition, and the fact that all lessons must be written insures thought and thoroughness. So far as actual acquirement of knowledge is concerned the advantages of the correspondence method of instruction fully offset its disadvantages. The cost of correspondence instruction thus provided to individual students who are chapter members or employees of banking institutions that are members of the American Bankers Association, including lesson pamphlets and all serial as well as final examinations, is \$10 for Part I pertaining to banking and \$10 for Part II pertaining to law. Payments for each of the two parts may be made separately.

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